



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	993 791 296
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KING OSCAR AS
Forretningsadresse:	Nøstegaten 58 5011 BERGEN

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Anne Evensen Tandberg
Dato for fastsettelse av årsregnskapet:	08.03.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 16.06.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Sales Revenue	4, 15	219 386 487	170 334 233
Other operating income	4, 15	16 852 428	13 406 789
Sum inntekter		236 238 915	183 741 022
Kostnader			
Cost of goods sold	15	149 795 242	110 768 295
Personnel expenses	7, 8	27 958 325	30 829 504
Deprecations	9, 18	5 262 559	5 766 000
Other operating expenses	5, 7	40 101 784	31 296 384
Sum kostnader		223 117 910	178 660 183
Driftsresultat		13 121 005	5 080 839
Finansinntekter og finanskostnader			
Other financial income	13, 15	3 179 714	17 195 561
Sum finansinntekter		3 179 714	17 195 561
Other financial expenses	13, 18	2 748 170	1 425 983
Sum finanskostnader		2 748 170	1 425 983
Netto finans		431 544	15 769 578
Ordinært resultat før skattekostnad		13 552 549	20 850 417
Tax expenses	16	2 957 119	52 957
Ordinært resultat etter skattekostnad		10 595 430	20 797 460
Årsresultat		10 595 430	20 797 460



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Lease agreements brought to balance	18	5 806 620	7 072 858
Utsatt skattefordel	16	6 180 933	8 320 913
Goodwill	10	1 939 605	1 939 605
Sum immaterielle eiendeler		13 927 158	17 333 376
Varige driftsmidler			
Land, buildings and other real property	9	8 610 239	9 209 014
Machinery and plant	9	19 345 812	16 182 480
Picture and fittings, tool, office machinery etc.	9	605 697	751 507
Sum varige driftsmidler		28 561 748	26 143 001
Finansielle anleggsmidler			
Investering i datterselskap	3	341 854	341 854
Sum finansielle anleggsmidler		341 854	341 854
Sum anleggsmidler		42 830 760	43 818 231
Omløpsmidler			
Varer			
Inventory	11	32 447 839	28 228 556
Sum varer		32 447 839	28 228 556
Fordringer			
Trade receivables		20 383 409	23 809 937
Other short time receivables	6, 12	33 579 404	27 546 780
Sum fordringer		53 962 813	51 356 717
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	14	3 199 664	9 937 197
Sum bankinnskudd, kontanter og lignende		3 199 664	9 937 197
Sum omløpsmidler		89 610 316	89 522 470



Balanse

Beløp i: NOK	Note	2020	2019
SUM EIENDELER		132 441 076	133 340 701
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	2	35 100 000	35 100 000
Annen innskutt egenkapital		15 606 301	15 606 301
Sum innskutt egenkapital		50 706 301	50 706 301
Opptjent egenkapital			
Other equity		35 594 577	24 999 147
Sum opptjent egenkapital		35 594 577	24 999 147
Sum egenkapital		86 300 878	75 705 448
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	18	4 887 421	6 232 693
Other long term liabilities	6, 12	2 000 000	7 916 516
Sum annen langsiktig gjeld		6 887 421	14 149 209
Sum langsiktig gjeld		6 887 421	14 149 209
Kortsiktig gjeld			
Current lease debt	18	1 597 506	1 514 013
Leverandørgjeld		24 333 213	19 043 940
Public duties payable		1 325 155	1 481 251
Other current debt	12, 14	11 996 903	21 446 840
Sum kortsiktig gjeld		39 252 777	43 486 044
Sum gjeld		46 140 198	57 635 253
SUM EGENKAPITAL OG GJELD		132 441 076	133 340 701

King Oscar AS

The Board of Directors report 2020

OPERATIONS AND LOCATIONS

King Oscar AS is the parent company in the King Oscar Group. The group consist of King Oscar AS and King Oscar Inc. (USA). The subsidiary is owned 100%.

King Oscar is a leading brand in canned seafood. The primary products are sardines, mackerel, herring, cod liver and tuna. King Oscar AS's production facility is located in Svolvær, Norway, and the head office is located in Bergen, Norway.

Thai Union EU Seafood 1 is the only shareholder in King Oscar AS.

King Oscar's strategic target is to be a producer and supplier of premium canned seafood.

PRODUCTION

The volume trend for Svolvær has slightly increased in 2020 due to an improved raw material sourcing situation. Some extra costs relating to cleaning and protective measures following Covid-19 situation.

There have been no accidents that have caused material damage or human injury.

MARKET

The sales of King Oscar brand have been impacted positively partly caused by increased demand due to Covid-19. The company has maintained strong and leading positions within canned seafood segments in Norway, Poland and USA. Sales in smaller markets where the King Oscar brand is present has been impacted positively as well.

The prices on raw materials have increased during 2020 partly offset by market price increases. The products are primarily being marketed under the King Oscar brand. In addition, the company produce and sell brand products under distributor/retail labels. The company is strongly positioned within retail channel with low exposure in food service channel.

The company is regularly doing market research related to its products.



KING OSCAR INC. (USA)

The company consist of a marketing office in San Diego. The activity has been good, and King Oscar increased its sales in 2020. Market shares have increased.

WORK ENVIRONMENT AND EMPLOYEES

King Oscar as (Norway) had 23,4 full-time employees in 2020, of this 6,7 were female and 17 males. In King Oscar Inc (USA) there was two male full-time employees.

GENERAL

The psychosocial environment in the group is considered to be satisfactory. The group's ambition is to exercise full gender equality and has incorporated a policy aiming to avoid any discrimination. The board considers the working environment to be satisfactory.

Sick leave in 2020 was 1,0 %. Measures are implemented to have sickness absence at a low level.

EXTERNAL ENVIRONMENT

The company's operations are affecting the external environment in line with industry norms. Pollution to air and water as well as noise pollution are below the limits set by the Norwegian authorities. The company is focused on sustainable fisheries.

King Oscar participates in 2 major Norwegian Government initiatives: The initiative to reduce food waste in Norway by 50 percent by 2030 ("Matsvinn") and the National Partnership for a Healthier Diet («Intensjonsavtalen for et sunnere kosthold»).

FINANCIAL PERFORMANCE

Net sales amounted to NOK 219 million compared to NOK 170 million in 2019. Net result before tax in 2020 was NOK 13.6 million and profit after tax was NOK 10.6 million NOK.

Operating profit was NOK 13.1 million compared with NOK 5.1 million in 2019.

Net cash flow from operating activities was NOK 13.1 million compared to NOK -12.9 million in 2019. The main driver for this is changes in inventories, trade receivables and trade payables which was NOK 4.5 million in 2020 compared to NOK -11.3 million in 2019. The company also had a sale of a subsidiary in 2019 which affected the cash flow.

Cash flow from operation investing activities was NOK -5,9 million as the company repaid a long-term loan.

FINANCIAL RISK

The company is exposed to both direct and indirect exchange rate risk. The direct commercial currency risk arises from import and export of goods. The future expected net cash flow for each currency is based on the competitive situation. The company prepares currency hedging strategies based on Thai Union global treasury policy.

Credit risk is considered as low. Routines are in place to closely monitor customers credit risks. This has resulted in historical low losses. Liquidity risk is considered limited.

GOING CONCERN

In accordance with regulatory requirements in Norway, the Board of Directors confirms that the financial statements are prepared under the assumption of a going concern. This is based on the prognosis of the company's results in 2021 and the company's long-term strategic plans.

FUTURE DEVELOPMENT

The Board of Directors considers the company's position and the future markets for the company's products as satisfactory. The rate of investment has taken into account the need to renew production facilities. Investments are done to make King Oscar a global Brand. The Board of Directors do not foresee any threats that will substantially change this in the near future.

The Covid-19 pandemic will be challenging for businesses also in 2021. All necessary measures have been put in place to secure ongoing production, inbound and outbound logistics.

King Oscar AS is taking all possible actions to minimize risks related to the Corona virus for our employees and the company. Nothing is more important to us than the health and safety of our people. Regular health and safety assessments are being done to secure the well-being of all employees.

The Company foresees increased demand on shelf-stable ambient products, both domestically in Norway and for the export. In 2021 the company continues to execute actions to secure further product sourcing and inventories in cooperation with suppliers and Norwegian authorities. Regular risk assessments and internal audits are done frequently to secure supplies.

The Company has not identified any crucial effect related to our business as per reporting date.



OTHER

Beyond the information given above and what is stated in the statement of profit and loss, statement for financial position and notes the Board of Directors do not know of any issues which concerns the assessment of the company.

The information presented is considered adequate to evaluate the operation and state of the company as of 31.12.2020.

8th of March 2021

The Board of King Oscar AS

Paul Gerard Reenan
Chairman of the Board

Stéphane Ré
Board Member

David Cyril Sankowicz
Board Member

Ludovic Regis Henri Garnier
Board Member

Bjørn Nordvik
General Manager



Income statement

King Oscar AS

	Note	2020	2019
Operating income			
Sales revenue	4, 15	219 386 487	170 334 233
Other operating income	4, 15	16 852 427	13 406 789
Total operating income		236 238 914	183 741 022
Operating expenses			
Cost of goods sold	15	149 795 242	110 768 295
Personnel expenses	7, 8	27 958 324	30 829 505
Depreciation of operating and intangible assets	9, 18	5 262 558	5 766 000
Other operating expenses	5, 7	40 101 784	31 296 384
Total operating expenses		223 117 909	178 660 183
Operating result		13 121 005	5 080 839
Financial income and expenses			
Other financial income	13, 15	3 179 714	17 195 561
Other financial expenses	13, 18	2 748 171	1 425 983
Net financial items		431 544	15 769 578
Result before tax		13 552 548	20 850 417
Tax expense	16	2 957 119	52 957
Net profit or loss for the year		10 595 430	20 797 460
Distributed to other equity		10 595 430	20 797 460
Other comprehensive income			
Cash flow hedge		0	209 270
Tax on other comprehensive income		0	-46 039
Total other comprehensive income		0	163 231
Total comprehensive income		10 595 430	20 960 691



Balance sheet

King Oscar AS

	Note	31.12.20	31.12.19
Non-current assets			
Lease agreements brought to the balance	18	5 806 620	7 072 858
Deferred tax assets	16	6 180 933	8 320 913
Goodwill	10	1 939 605	1 939 605
Land, buildings and other real property	9	8 610 239	9 209 014
Machinery and plant	9	19 345 811	16 182 481
Fixtures and fittings, tools, office machinery etc.	9	605 697	751 507
Investments in subsidiaries	3	341 854	341 854
Total non-current assets		42 830 760	43 818 231
Current assets			
Inventories	11	32 447 839	28 228 556
<i>Receivables</i>			
Trade receivables		20 383 409	23 809 937
Other short-term receivables	6, 12	33 579 404	27 546 780
Total short term receivables		53 962 813	51 356 718
Cash and cash equivalents	14	3 199 664	9 937 196
Total current assets		89 610 316	89 522 470
Total assets		132 441 076	133 340 701



Balance sheet King Oscar AS

	Note	31.12.20	31.12.19
Equity			
<i>Share premium</i>			
Share capital	2	35 100 000	35 100 000
Share premium reserve		<u>15 606 301</u>	<u>15 606 301</u>
Total paid-up equity		50 706 301	50 706 301
 <i>Retained earnings</i>			
Other equity		<u>35 594 577</u>	<u>24 999 148</u>
Total retained earnings		35 594 577	24 999 147
 Total equity		86 300 878	75 705 448
 Liabilities			
 <i>Provisions for liabilities</i>			
 <i>Other long-term liabilities</i>			
Lease debt	18	4 887 421	6 232 693
Other long term liabilities	6, 12	<u>2 000 000</u>	<u>7 916 516</u>
Total of other long term liabilities		6 887 421	14 149 209
 <i>Current debt</i>			
Current lease debt	18	1 597 506	1 514 013
Trade creditors		24 333 213	19 043 940
Public duties payable		1 325 155	1 481 251
Other current debt	12, 14	<u>11 996 903</u>	<u>21 446 839</u>
Total current debt		39 252 777	43 486 044
 Total liabilities		46 140 198	57 635 253
 Total equity and liabilities		132 441 076	133 340 701



Balance sheet

King Oscar AS

08.03.2021

The board of King Oscar AS

Paul Gerard Reenan
Chairman of the Board

Ludovic Regis Henri Garnier
Member of the Board

David Cyril Sankowicz
Member of the Board

Børn Nordvik
General Manager

Stéphane Ré
Member of the Board



Development in equity

	Share capital	Share premium	Other equity	Total
Equity 31.12.2018	35 100 000	15 606 301	4 038 457	54 744 758
Result of the year			20 797 460	20 797 460
OCI 2019			163 231	163 231
Equity 31.12.2019	35 100 000	15 606 301	24 999 148	75 705 449
Equity 31.12.2019	35 100 000	15 606 301	24 999 148	75 705 449
Result of the year			10 595 430	10 595 430
OCI 2020			-	-
Equity 31.12.2020	35 100 000	15 606 301	35 594 577	86 300 878



Cash flow statement King Oscar AS

	31.12.20	31.12.19
Cash flow from operating activities		
Profit/ (loss) before income taxes	10 595 430	20 797 460
Tax	817 139	774 454
Profit/ (loss) on sale of fixed assets and subsidiary	-	-12 456 757
Depreciation and amortisation	5 262 558	5 766 000
Changes in inventories, trade receivables and trade payables	4 496 518	-11 297 377
Changes in other current balance sheet items	-4 932 887	-12 286 758
Dividend received	-3 150 654	-4 193 129
Net cash flow from operating activities	13 088 104	-12 896 107
Cash flow from investing activities		
Purchase of tangible fixed assets	-6 141 736	-5 591 351
Sale of trademark	0	-
Sale of subsidiary	0	12 456 757
Dividend received	3 150 654	4 193 129
Net cash flow from investments	-2 991 082	11 058 535
Cash flow from financing activities		
Paid dividend	-	-
Repayment and payment of long term loans	-5 916 516	-15 597 497
Net cash flow from financing activities	-5 916 516	-15 597 497
Effects of change in exchange rates and cash equivalents		
Net change in cash and cash equivalents	4 180 506	-17 435 069
Cash and cash equivalents at 01.01	-5 513 182	11 921 887
Cash and cash equivalents at 31.12*	-1 332 676	-5 513 182
*Cash and cash equivalents	3 199 664	9 937 196
Cash and cash equivalents debt	-4 532 340	-15 450 379
Cash and cash equivalents at 31.12	-1 332 676	-5 513 183



Note 1 - Accounting Principles

Main Principles

The annual report for King Oscar AS is prepared based on simplified IFRS (in accordance with laws and regulations), where all the accounting principles are in accordance with IFRS, while the disclosure requirements are substantially in accordance with Norwegian GAAP.

The annual report is based on the historical cost basis, except for financial assets that mainly are classified as available for sale and derivatives, which are stated at fair value. Assets and liabilities are defined by the applicable IFRS reference style, and items not meeting the definitions are not capitalized.

Reversed parent- subsidiary merger

Thai Union Norway AS (Transferor) merged with King Oscar AS (Transferee) with continuity for accounting purposes and tax purposes with effect from 01.01.2018

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that impairment is not required. Impairment to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Impairments are reversed when the cause of the initial impairment is no longer present.

Investments in subsidiaries are measured at cost. All other investments are accounted for in accordance with IAS 9 "Financial Instruments"

King Oscar AS is the parent company of the King Oscar Group. King Oscar AS has not prepared consolidated Financial Statement. This is because King Oscar is included in the consolidated financial statements of Thai Union Group Public Company Limited in Thailand, ref. Accounting §3-7. The consolidated financial statements of Thai Union Group Public Limited are available by contacting the company's headquarters.

Revenue recognition

Sale of goods:

Income from sale of goods is measured at fair value, net of value added tax and rebates. As a general rule, income is based on earning date of the transaction. Income is recognized when both control and risk have been transferred.

Royalties are recognized when accrued in accordance with the terms of the royalty agreement. Interest income is recognized using the effective interest method.

Dividends are recognized as income when the right to receive dividends is agreed by the General Assembly.

Balance sheet classification

Current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as non current assets.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non-incidental reduction in value the asset will be written down to the fair value amount. Non current creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for bad debts. Provisions for bad debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.



Notes to the financial statement

Inventories

Inventories are valued at the lower of cost or market value. Net realizable value is the estimated selling price in the ordinary course of business after deducting the estimated costs and potentially estimated costs to complete the item. Acquisition costs are expenses incurred for the acquisition of goods and costs of bringing them to their existing location and condition.

Manufactured goods are valued at full production cost, where a proportion of indirect costs is allocated based on normal capacity utilization. Deductions are made for obsolescence.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate on the transaction date. Cash, receivables and liabilities denominated in foreign currencies are converted at exchange rates at the balance sheet date. The company's foreign exchange policy is to equalize differences between receivables and liabilities in foreign currencies by using financial instruments such as bank accounts in foreign currencies and forwards contracts.

Financial instruments

From 1 January 2018, the Company classifies its financial instruments in the following categories: fair value through comprehensive income (FVOCI), fair value through profit and loss (FVTPL) and amortised cost. The classification of financial instruments under IFRS 9 is generally based on the business model in which a financial instrument is managed and its contractual cash flow characteristics. Classification of financial instruments is determined at initial recognition and is not reclassified subsequently unless the Company changes its business model for managing financial assets.

A financial instrument shall be measured at amortised cost if both of the following conditions are met and it is not designated at FVTPL:

the financial instrument is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial instrument shall be measured at FVOCI if both of the following conditions are met and it is not designated at FVTPL:

* the financial instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
* the contractual terms of the financial instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial instruments not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial instruments (see note 17). On initial recognition, the Company may irrevocably designate a financial instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial instrument contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

contingent events that would change the amount or timing of cash flows;
terms that may adjust the contractual coupon rate, including variable-rate features;
prepayment and extension features; and
terms that limit the Company's claim to cash flows from specified assets

Financial assets at FVTPL

The instruments are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.



Notes to the financial statement

Financial assets at amortised cost

These instruments are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment

The Company assesses at the end of each reporting period the expected credit losses for a financial instrument or a group of financial instruments.

Hedging

The Company uses various financial instruments to manage its financial risk. The company uses derivatives for hedging purposes only. Such derivatives are recognized at fair value at inception, and is measured at fair value at the balance sheet date. Gains and losses on hedges that do not satisfy the requirements for hedge accounting are recognized. Hedge accounting is documented in accordance with the requirements of IFRS 9.

The Company has cash flow hedges which is used to mainly reduce risks related to currency. The effective portion of unrealized gains or losses on hedging instruments are recorded against Other income and expenses. The ineffective part of unrealized gains or losses are recognized recorded in earnings. Amounts recognized as Other income and expenses are transferred to earnings when the hedged transaction is realized and recognized, such as when a hedged sale or purchase occurs. If the expected (hedged) transaction is no longer expected to occur, amounts previously recognized as Other income and expenses is recorded in the income statement.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is impaired to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

When assets are sold or disposed of, the carrying amount is deducted and any gain or loss recognized. The acquisition cost is the purchase price including taxes, fees and other costs directly related to preparing the asset for use.

IFRS 16 Leases

IFRS 16 have affected primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The standard is effective for accounting periods beginning on or after January 1, 2019. The Company have adopted the standard at its mandatory date.

Intangible assets

Intangible assets are recognized when it is probable that the expected future economic benefits attributable to the assets will accrue to the enterprise and the asset cost can be measured reliably. Internally developed intangible assets are not capitalized.

Intangible assets with a limited lifespan are measured at cost less accumulated depreciation. Depreciation is linear over the estimated useful life. Depreciation method and period are assessed annually.

Licenses, concessions and other rights

Payments for licenses, concessions and other rights are capitalized and amortized over their estimated useful lives. Life is assessed individually for each asset.



Notes to the financial statement

Goodwill

Goodwill relates to business acquisitions. Goodwill is the added value of the business allocated to identifiable assets and liabilities. Any surplus value attributable to the identifiable assets and liabilities is recorded as goodwill in the company. In posting surplus value to assets and liabilities, deferred taxes are taken into account and the balance sheet, whereas goodwill capitalized net. In the event of negative goodwill on the acquisition, a new review of the value analysis is carried out. If this still results in negative goodwill, this is recognized in the income statement. Goodwill is not depreciated but is tested annually for impairment at the reporting date.

Pensions

Norwegian businesses are obligated to follow the act on Mandatory company pensions, and this is covered by the company's pension plans. In 2012 King Oscar went over to a collective contribution based pension plan for its employees.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative are balance out within the same period.

Deferred tax assets are recorded in the balances sheet to the extent it is more likely than not that the tax assets will be utilized.

Cash/flow statement

The company's cash flow statement shows the overall cash flow from operating activities, investments- and financing activities. The cash flow statement is presented using the indirect method.

Use of estimates

Estimates and assumptions that are used have affected assets, liabilities, income and expenses. This particularly applies to the calculation of goodwill, provisions, depreciation and amortization. Future events may cause the estimates to change. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period the change occurs. If they also have an effect on future periods, the effect is distributed over the current and future periods.

Future events and changes in the regulatory framework may mean that estimates and assumptions change. New statements and interpretations of standards may result in the choice of principles and presentation will be changed.



Notes to the financial statement

Note 2 - Share capital and shareholder information

The share capital as of 31.12 consist of 55 100 stocks each with par value 637,02 NOK. All stocks are owned by Thai Union EU Seafood 1 S.A.

Note 3 - Investment in subsidiaries and associate

Company	Location	Ownership	Net profit 2020	Equity 31.12	Book value 31.12
King Oscar Inc.	USA	100 %	79 552	4 284 829	341 854

The consolidated financial statements are prepared by the parent company Thai Union Group Public Company Limited in Thailand, and will be available at Thai Union Group Public Company Limited's headquarters 72/1 Moo, 7, Sethakit 1 Road, Tarsai Sub-District, Mueang Samut Sakhon District, Samut Sakhon Province 74000, Thailand.

Note 4 - Sales of goods

Geographical distribution	2020	2019
Norway	64 511 684	74 484 296
Europe	83 501 074	52 987 796
Others	71 373 729	42 862 141
Sum	219 386 487	170 334 233

Other operating income		
Royalty	16 616 042	13 234 436
Other operating income	236 384	172 354
Sum	16 852 427	13 406 789

* Sales from King Oscar AS. Figures do not reflect sales in subsidiaries.

Note 5 - Operating expenses

	2020	2019
Production costs	9 730 312	11 256 551
Sales and marketing expenses	18 202 208	14 559 731
Other operating expenses*	12 169 264	5 480 102
Sum	40 101 784	31 296 384

*) Including audit fee and other fees, leasing and rent of administration buildings, as well as other operating expenses

Note 6 - Debts and receivables

Non-current liabilities due in more than 1 year	2020	2019
Other long term debt	-2 000 000	-2 000 000
Liabilities to company in the same group	0	-5 916 516
Sum	-2 000 000	-7 916 516

Other long-term debt consists of subordinated debt of NOK 2 000 000 issued by The Norwegian Fishery Association. It is regarded as grants, with the exception that King Oscar AS is terminated or is dissolved and it becomes payment of share capital/subordinated debt. Loan capital is not interest bearing.

Liabilities to company in the same group is paid back as a whole during 2020.

Other short term receivables	2020	2019
Receivables to company in the same group	21 971 238	18 156 701
Prepaid expenses	3 652 211	1 321 718
VAT	1 559 950	780 158
Other receivables	6 396 005	7 288 203
Sum	33 579 404	27 546 780

Included in "other receivables" for both 2020 and 2019 is a convertible loan to Ægri Sjavarfang EHF which amounts to EUR 600 000 (NOK 6 328 896 for 2020). The conversion option gives King Oscar the right to convert the loan into 67 050 000 shares at any time during the option period, but no later than february 2023.



Notes to the financial statement

Note 7 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

Wage costs	2020	2019
Salaries	20 039 408	20 754 106
Payroll tax	1 910 211	2 179 436
Pension costs	1 277 191	1 351 568
Other payments	4 731 514	6 544 393
Total	27 958 324	30 829 503

The total number of employees in the company during the year	23,4	22,7
--	------	------

Management remuneration

	CEO
Salary	1 578 817
Bonus	277 224
Other remuneration	202 579

General manager has a performance based scheme based on agreed objectives for the year. The max bonus is 30% included holiday compensation. Based on the financial result, the company has accrued for the maximum pay-out for 2020. This is equal to 548 000 NOK included social cost. The mutual notice period follow the conditions from the Norwegian act of Employment. General manager does not have an agreement on severance pay.

Audit fee had been divided as follows	2020	2019
Statutory audit fee	130 826	343 709
Assurance services	98 500	20 200
Tax advisory fee	24 500	23 210

VAT is not included in the figures of auditor's fee.

Note 8 - Pensions

Norwegian businesses are obligated to follow the act on Mandatory company pensions, and this is covered by the company's pension plans.

In 2012 King Oscar went over to a collective contribution based pension plan for its employees.



Notes to the financial statement

Note 9 - Tangible assets

	Land	Buildings and other property	Machinery and plant etc	Furniture, Fixtures & Equipment	Total
Acquisition cost 01.01	1 673 164	18 570 727	43 054 153	22 032 841	85 330 886
Additions	0	23 640	6 027 278	90 819	6 141 736
Disposal	0	0	0	0	0
Acquisition cost 31.12	1 673 164	18 594 367	49 081 431	22 123 660	91 472 622
Acc. Depreciation 31.12	0	11 657 291	29 735 620	21 517 962	62 910 873
Net carrying amount 31.12	1 673 164	6 937 074	19 345 811	605 697	28 561 747
Depreciation for the year	0	622 414	2 834 726	236 629	3 693 769
Depreciation disposal	0	0	0	0	0
Useful economic life	Eternal	10-40 years	5-20 years	3-10 years	
Amortization plan		Linear	Linear	Linear	

Note 10 - Intangible assets

	Goodwill
Acquisition cost at 01.01	3 950 316
Acquisition cost at 31.12	3 950 316
Acc. impairments 31.12	-2 010 711
Net carrying amount at 31.12	1 939 605
Useful economic life	Indefinite

Goodwill acquired through business acquisitions and other intangible assets with indefinite useful life are allocated to cash-generating unit (cgu) King Oscar AS.

Note 11 - Inventories

	2020	2019
Raw materials, packaging materials and purchased semifinished	6 872 397	9 973 846
Goods in the production	2 580 311	1 156 406
Finished goods produced	13 861 513	8 227 130
Purchased goods for resale	11 098 432	10 667 317
Provision for obsolete goods	-1 954 813	-1 796 143
Total	32 447 839	28 228 556

Note 12 - Intercompany balances with group companies

Receivables	2020	2019
Intercompany receivables	21 971 238	18 156 701
Payables	2020	2019
Trade creditors	-9 246 279	-3 188 661
Long term loan	0	-5 916 516
Total	-9 246 279	-9 105 177



Notes to the financial statement

Note 13 - Financial income and financial expenses

	2020	2019
Dividends	3 150 654	4 193 129
Sale of trademark		
Net currency gains	0	497 140
Other financial income	29 059	12 505 292
Total financial income	3 179 714	17 195 561
Interest expense on loan	460 515	858 498
Interest expense lease	354 350	381 166
Net currency losses	1 764 572	0
Other financial losses	168 733	186 320
Total financial expenses	2 748 171	1 425 984

Note 14 - Mortgages, guarantees and cash

King Oscar AS has 2 000 000 NOK in tax guarantee to the tax office in Bergen.
Other current debt includes bank accounts overdraft with 4 532 340 NOK.

Note 15 - Transactions with related parties

King Oscar AS conducts transactions with group companies. Details appear in the table below.

	2020	2019
Sales of goods and services		
Sales of goods to group company	87 615 224	58 633 316
Sales of services (management and royalties) from group companies	20 551 008	18 774 559
Total	108 166 232	77 407 875
Purchases of goods and services		
Purchases of goods from group companies	41 083 157	28 972 469
Purchases of services (management and royalties) from group companies	5 861 485	4 419 328
Interest expense to Group companies	52 041	525 352
Guarantee Expense to group company	144 995	131 083
Total	47 141 678	34 048 232
Financial income		
Dividend received	3 150 654	4 193 129
Sale of trademark to group companies	-	-
Sale of subsidiaries (NFE)	0	12 456 757
Total	3 150 654	16 649 886

See note 7 for benefits to senior executives, and note 12 for balances with group companies.



Notes to the financial statement

Note 16 – Tax

Taxes	2020	2019
Payable Tax	-	-
Changes in deferred tax	2 139 980	889 545
Withholding tax Po and	817 139	600 044
Differences between tax papers and financial statement in 2018	0	-62 134
Calculated tax expense (income)	2 957 119	1 427 455
Tax expense (income) in the income statement	2 957 119	52 957
Difference*	0	1 374 498

Calculated tax liability	-	-
Tax payable in the income statement	-	-
Difference*	-	-

*The difference for tax expense in 2019 refers to changes in taxable income for Thal Union Norway AS for 2015 after decision by the tax authorities.

The decision by the tax authorities was changed after a complaint from the company and the tax payable should be zero.

Result before taxes	13 552 548	20 850 417
Tax calculated at the nominal tax rate	2 981 561	4 587 092
Effects of change in tax rate and effect OCI	-	46 039
Withholding tax Poland	817 139	600 044
Differences between tax papers and financial statement 2018	-	-62 134
Effects of permanent differences	-841 581	-3 743 586
Calculated tax expense (income)	2 957 119	1 427 455
Tax expense (income) in the income statement	2 957 119	52 957
Difference*	0	1 374 498

Deferred tax liabilities and assets	2020	2019
Deferred taxes of negative temporary differences		
Financial instruments	-	-
Current assets	0	440 000
Tax loss carryforwards	7 894 335	9 114 132
Effect on net deferred tax assets	7 894 335	9 554 132

Deferred taxes of positive temporary differences		
Tangible and intangible assets	1 097 855	949 377
Financial instruments	-	46 039
Gain and loss account	58 466	73 083
Current assets	557 081	164 719
Effect on net deferred tax assets	1 713 402	1 233 218

Calculated net deferred tax assets	6 180 933	8 320 914
Net deferred tax asset in the balance sheet	6 180 933	8 320 914
Difference	0	0

Accumulated deferred tax on other comprehensive income	2020	2019
Pension	-	-
Financial instruments	0	0
Sum	0	0

Change in deferred tax on other comprehensive income	0	-46 038
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Tax recognized in other comprehensive income	0	-46 038
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Deferred tax assets are recognized based on expected future exploitation either through earnings or realization of excess values. Tax loss carryforwards can carryover tax loss to future years to offset a profit.



Notes to the financial statement

Note 17 - Financial instruments

Financial instruments by category

The following principles for subsequent measurement of financial instruments have been applied for financial instruments in the balance sheet:

31.12. Assets	Financial instruments measured at amortised cost	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through OCI	Sum
Cash and cash equivalents	3 199 664	-	-	3 199 664
Derivatives (currency contracts)	-	-	-	-
Trade and other receivables excluding prepayments and reimbursable public duties	48 750 652	-	-	48 750 652
Sum	51 950 316	-	-	51 950 316

31.12. Obligations	Financial instruments measured at amortised cost	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through OCI	Sum
Credit bank accounts	-4 532 340	-	-	-4 532 340
Derivatives (currency contracts)	-	-	-	-
Trade and other payables excluding statutory liabilities	-31 797 776	-	-	-31 797 776
Sum	-36 330 116	-	-	-36 330 116

IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has initially only two classification categories: amortised cost and fair value. Fair value of derivatives is calculated by discounting expected future cash flows. The company has used market rates for estimating the fair value of financial instruments from external sources pr. 31.12.

The maximum loss on financial assets is not expected to exceed book values. The fair value of loans does not differ significantly from book value.

Financial instruments at fair value by level

The table below shows financial instruments 31.12. at fair value by valuation method. The different levels are defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Valuation based on observable factors other than the quoted price (used in level 1) either directly (prices) or indirectly (derived from prices) for the asset or liability

Level 3: Valuation based on factors not obtained from observable market data (unobservable assumptions)

Per 31.12	Level 1	Level 2	Level 3	Sum
Derivatives (net payable)	-	-	-	-
Sum	-	-	-	-



Notes to the financial statement

Hedging

Currency risk

King Oscar AS has direct and indirect economic risks related to exchange rate developments. The direct foreign exchange exposure to import and export goods. The expected future net cash flow for each currency hedged is based on the competitive situation. The company prepares currency strategies with a defined hedging horizon and hedging proportion. The analysis includes the indirect foreign exchange risk arising from competitiveness influenced by developments in competitors' domestic currency. Foreign currency strategies are drawn up on the basis of guidelines issued by the board of the group.

Hedge currency

King Oscar AS normally has a portfolio of cash flow related to future cash flows (sales/purchase) in foreign currency. The company uses hedge accounting. Hedge effectiveness is calculated for all contracts and the ineffective portion is recognized in the income statement (ref. Note 1). King Oscar AS has a hedging horizon of 12 months on a rolling basis, but can secure up to 36 months.

	Unrealized gain (+)/loss (-)	
	2 020	2 019
Exchange contracts with maturity within 1 year	-	-
Exchange contracts with maturity after 1 year	-	-
Unrealized losses on foreign exchange contracts	0	0

Unrealized gains / losses on the effective portion of the hedge is recognized in other comprehensive income for cash flow hedges. The ineffective portion of the hedging transaction is recognized in profit or loss. As of 31.12.2020 the cumulative recognition of comprehensive income is NOK 0. For 2019 the cumulative recognition of comprehensive income was NOK 163 231.

	Realized gain(+)/ loss (-)	
	2 020	2019
Net realized gain/loss on hedging transactions	0	-133 568



Notes to the financial statement

Note 18 - Leases

The Group implemented IFRS 16 1 January 2019.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	31.12.2020	31.12.2019
Right of use assets*		
Property	4 660 463	5 825 579
Equipment	299 298	399 063
Cars	622 356	558 004
Other	224 504	290 212
	5 806 620	7 072 858

*included in the line item "Property, plant and equipment" in the balance sheet.

	31.12.2020	31.12.2019
Lease liabilities**		
Current	1 597 506	1 514 013
Non-current	4 887 421	6 232 693
	6 484 927	7 746 706

**included in the line item "other liabilities" in the balance sheet. In the previous years the group only recognised lease liabilities in relation to leases that were classified as "finance leases" under IAS 17 Leases. These were presented as part of the group's borrowings.

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2020	2019
Depreciation charge of right-of-use assets		
Properties	1 165 116	1 165 116
Equipment	99 766	99 766
Cars	238 199	195 710
Others	65 708	38 330
	1 568 789	1 498 922



To the General Meeting of King Oscar AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of King Oscar AS, which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm



Independent Auditor's Report - King Oscar AS



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and a true and fair view of the financial statements in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(2)



Independent Auditor's Report - King Oscar AS



Bergen, 8 March 2021
PricewaterhouseCoopers AS

Jan Roger Hånes
State Authorised Public Accountant
(This document is signed electronically)



Revisjonsberetning

Signers:

Name
Hånes, Jan Roger

Method
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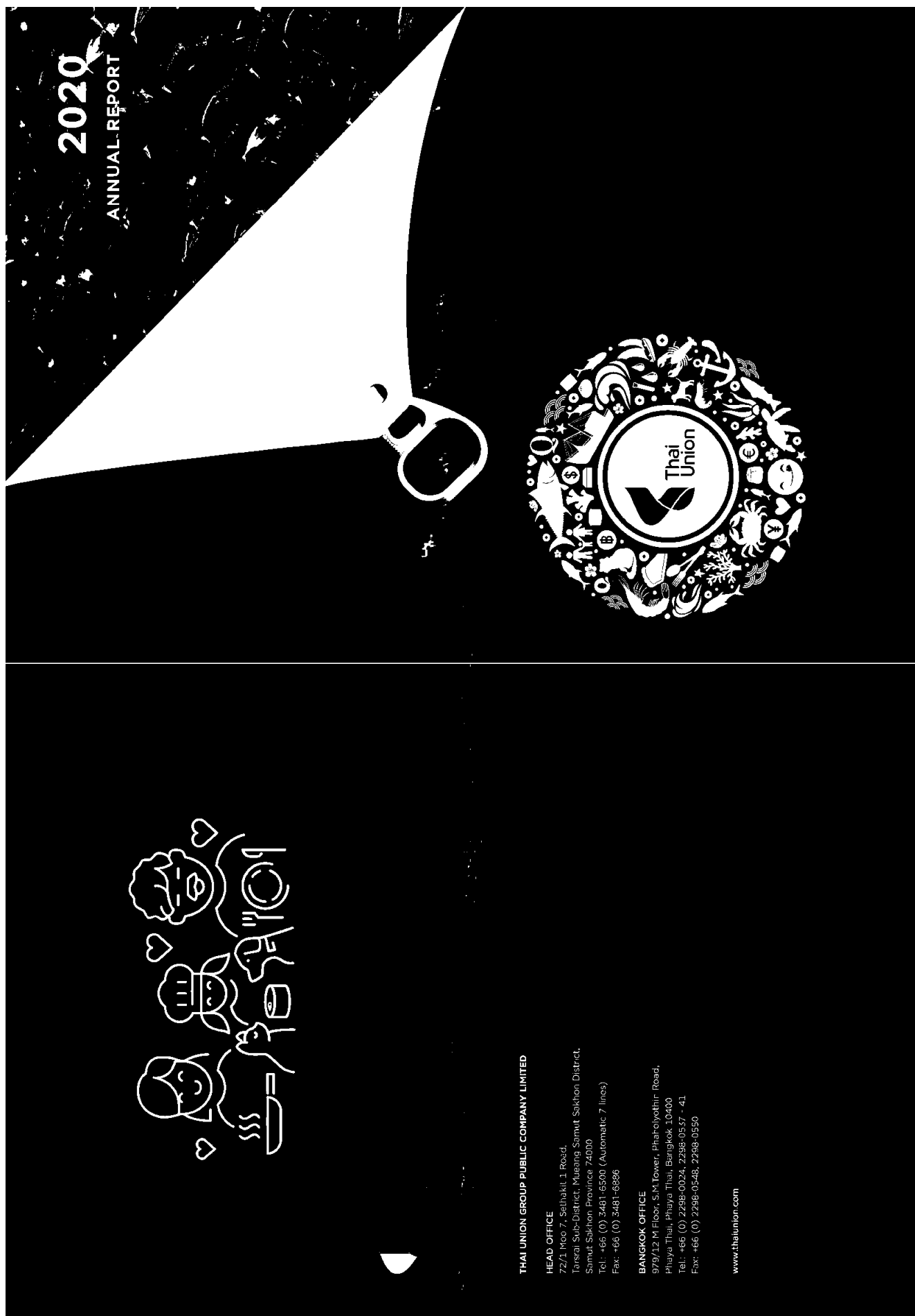
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Company Profile

Thal Union Group Public Company Limited
Registration No. 0107537000891

Type of Business

Processor and exporter of frozen and canned seafood

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Listed on The Stock Exchange of Thailand
Since 22 November 1994

As of 31 December 2020

Registered capital

THB 1,492,953,874 (5,971,815,496 shares)

Paid-up capital

THB 1,192,953,874 (4,771,815,496 shares)

Par value THB 0.25 per share



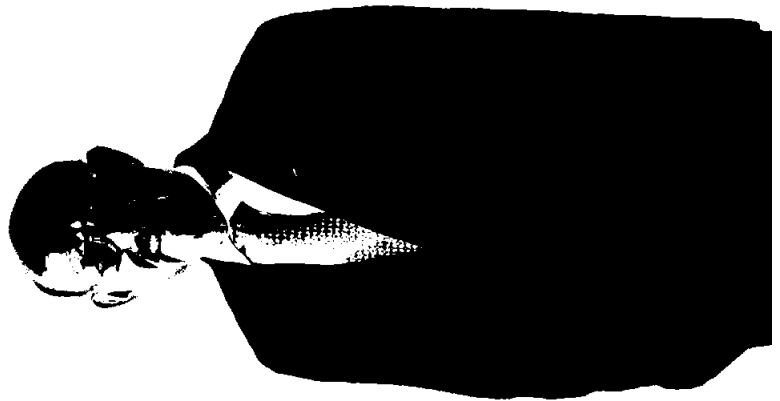
Message from Our Chairman

When the new decade began in 2020, no one could have foreseen what a difficult year it was going to be. COVID-19 challenged us like nothing has ever before. But, as I reflect on the year, I'm filled with great pride when I look at how Thal Union Group not only successfully navigated its way through the pandemic, but emerged stronger than ever.

I have always said that the health and safety of our employees, partners, suppliers, customers and the local community remains Thal Union's number one priority. That came into clearer focus last year as COVID-19 spread quickly, impacted our employees and caused incredible disruption

The global pandemic continues to cause great upheaval, but one thing that became abundantly clear in 2020 was the resilience of Thal Union.

The management team was able to pivot quickly to ensure our workers were safe and healthy and that any disruption to our operations was minimized, while ensuring our products continued to fill store shelves.



for workers around the world. The dedication of Thal Union's employees shone through as they continued to ensure we were able to deliver healthy and nutritious products to consumers despite unprecedented challenges.

The global pandemic continues to cause great upheaval, but one thing that became abundantly clear in 2020 was the resilience of Thal Union. The management team was able to pivot quickly to ensure our workers were safe and healthy and that any disruption to our operations was minimized, while ensuring our products continued to fill store shelves.

We were gratified to see the trust consumers placed in our products across Asia, Europe and the U.S. Increased last year as consumers stocked up on long-shelf life products given more people were cooking at home due to lockdown restrictions and restaurant closures as a result of COVID-19. There was also higher demand for pet food products as people adopted more pets and spent more time at home with their family, cats and dogs.

While COVID-19 consumed a lot of our time last year, Thal Union did not stand still. We continued to pursue opportunities during the year that will be crucial to our long-term growth. Our fundamentals remain strong, which allows us to further expand our business even as we are confronted by many challenges and as the economies in regions where we operate remain under pressure.

Thal Union is also proud to be a global seafood leader and we continue to set the standards for the entire industry. We remain at the forefront of positive change in sustainability and are not afraid to take bold action as we pursue a path of "Healthy Living. Healthy Oceans".

At Thal Union, we are now leaders in advancing human rights in the seafood industry and are constantly working to ensure that we deliver products to consumers that are ethically sourced and processed.

While our existing product line-up is the backbone of our business, we also understand the increasing importance of innovation in securing Thal Union's long-term growth. Our Global Innovation Center (GIC) is making a bigger contribution to the growth and profitability of Thal Union, pursuing the development of new products across alternative proteins, supplements, medical foods and marine-derived ingredients.

Thal Union came from humble beginnings and we remain humble to this day, operating with strong morals and ethics. We have been very fortunate to have long received the valuable support of all our staff along with customers, consumers, shareholders and a wide number of stakeholders. As always, I am so thankful for this encouragement and look forward to it continuing for many years to come as we build a stronger and even more sustainable business.

KRAISORN CHANSIRI
Chairman



Message from Our President and CEO

Thai Union ended 2020 with a healthy performance. Full year sales came in at THB 132.4 billion, an increase of 4.9 percent, while net profit rose 63.7 percent to THB 6.25 billion. The Company announced a 2H2020 dividend payout of THB 0.40 a share, an increase of 81.8 percent over the same period last year, bringing the full year dividend to THB 0.72 per share, an increase of 53.2 percent year-on-year.

This strong performance came despite unprecedented challenges around COVID-19. Demand for Thai Union's products grew as consumers cooked more at home as a result of the pandemic, and also shifted their eating habits towards a healthier, more nutritious diet. We continue to focus on the health and safety of our employees, partners and supply chain ecosystem to ensure the continuity of our business in order to deliver safe and quality products to consumers around the world.

While 2020 was without doubt a year of immense challenge, through robust management and the dedication of our workers, Thai Union is a much sturdier Company today than it was 12 months ago. Our 2020 performance shows that the Company's healthy and nutritious products walked hand in hand with customers.

Our ability to move quickly and adapt to ever-changing circumstances last year was critical in returning positive financial results, with the Crisis Management Team successfully helping navigate us through the pandemic. This ensured that our operations, while impacted by COVID-19, were still able to deliver products that were in high demand across Asia, Europe and the U.S.

While it was crucial that we focused heavily on responding to the impact of COVID-19 last year, equally important was making sure we captured opportunities as they presented themselves so that Thai Union remained well positioned for long-term growth.

With innovation becoming increasingly important for the future growth of Thai Union, we further invested in high-margin businesses that help us to enhance the value of co-products such as those from our Thai Union Ingredients subsidiary.

We continued to support SPACE-F, the first food-tech incubator and accelerator program in Thailand, which we co-founded in 2019. In addition, our corporate venture capital fund, which invests in innovative food-tech startups, has been actively engaged with a large number of startups and we now have six active investments, with whom we are actively exploring additional collaborative opportunities.

During the year, we made structural changes to make our business stronger. In the U.S., we appointed Bryan Rosenberg to the role of President and CEO of Thai Union North America, bringing Chicken of the Sea International (COSI) and Chicken of the Sea Frozen Foods (COSFF) under one leader to unlock greater synergies between the two businesses.

In Europe, despite the challenges of COVID-19, we successfully embarked on a multi-year strategy to unlock the true potential of our operations in the region through initiatives for market growth and innovation, increased productivity and the implementation of shared services, which already exist in North America and Thailand.

For the overall business, thanks to a strong cash performance following the implementation of cost saving measures and a key focus on cash preservation, we were able to conduct a THB 1.5 billion share repurchase program while also repaying THB 2.5 billion of debt.

Sustainability continues to play a critical role in the Thai Union business, and our global sustainability strategy, SeaChange®, sets the standard for the seafood industry. It was incredibly rewarding that last year Thai Union was listed on the Dow Jones Sustainability Indices (DJSI) for the seventh straight year and ranked second in the world on the Food Products Industry Index. This was welcome recognition of the positive change that Thai Union has been driving not only in our own business but across the global industry.

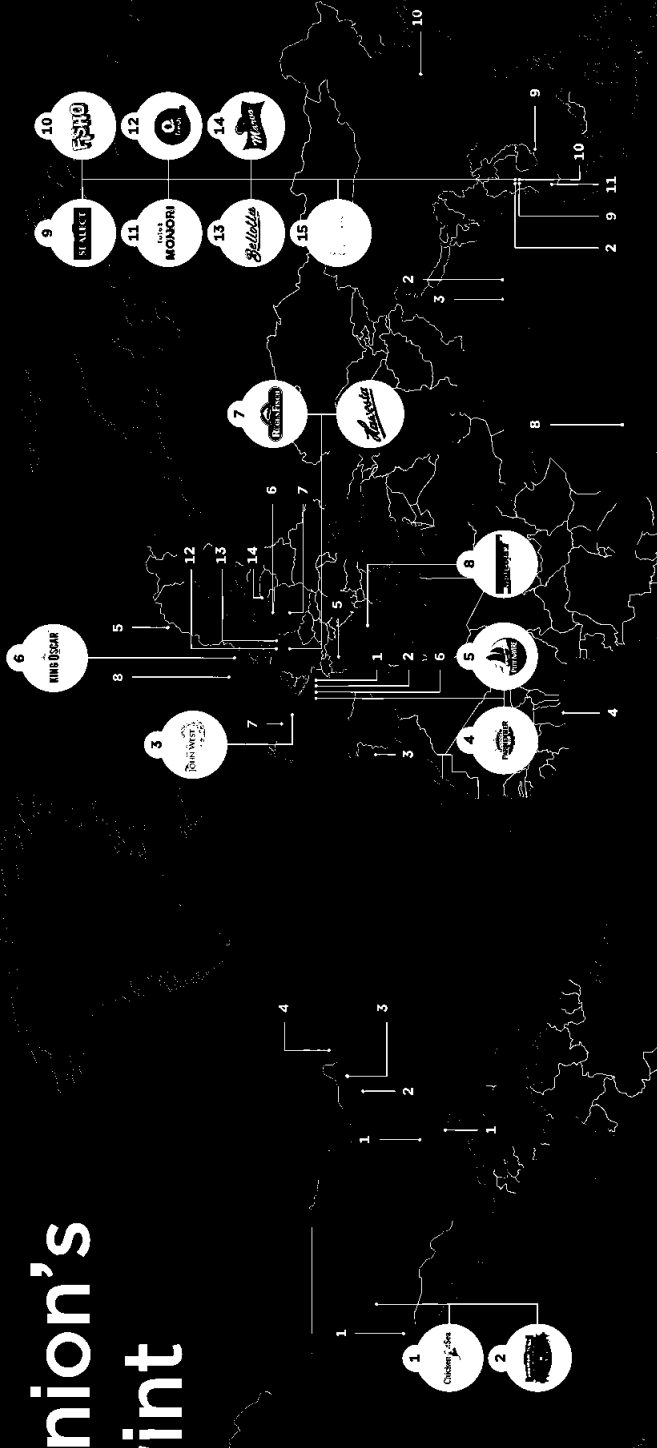
Thai Union also became the first food producer and Thailand-listed Company to join EP100, a Climate Group global initiative on smarter energy use, as part of our strategy to tackle climate change and its impact on the world's oceans. We were also recognized for our global initiatives to deliver against the United Nations Sustainable Development Goals (UN SDGs), with the SDG Impact Award at the Responsible Business Awards 2020.

While 2020 was without doubt a year of immense challenges, through robust management and the dedication of our workers, Thai Union is a much sturdier Company today than it was 12 months ago. Our 2020 performance shows that the Company's healthy and nutritious products walked hand in hand with customers during these tough times. I believe we are always stronger when we come together, and I remain confident that we will jointly continue to meet the needs of consumers around the world who choose healthy and nutritious products.

THIRAPHONG CHANSIRI
President and CEO



Thai Union's Footprint



Brands

- 1 Chicken of the Sea®, U.S.
- 2 GENOVA, U.S.
- 3 JOHN WEST, UK
- 4 PARMENTIER, France
- 5 PETIT NAVIRE, France
- 6 KING OSCAR, Norway
- 7 RÜGEN FISCH & Hawesta, Germany
- 8 Mareblu, Italy
- 9 SEALECT, Thailand
- 10 FISHO, Thailand
- 11 MONORI, Thailand
- 12 Qfresh, Thailand
- 13 Bellotta, Thailand
- 14 Marvo, Thailand
- 15 Thammachart Seafood, Thailand

Strategic Partnership/ Key Joint Venture

- 1 RED LOBSTER, U.S.
- 2 Avant! Frozen Foods, India
- 3 Avant! Feeds Ltd., India

Production Location

- 1 Lyons, GA, U.S.
- 2 Douarnenez, France
- 3 Quimper, France
- 4 Peniche, Portugal
- 5 Tema, Ghana
- 6 Svolvær, Norway
- 7 Gniewino, Poland
- 8 Bydgoszcz, Poland
- 9 Mahe', Seychelles
- 10 Long An, Vietnam
- 11 Samut Sakhon, Thailand
- 12 Songkhla, Thailand
- 13 Lübeck-Schlutup, Germany
- 14 Sassnitz, Germany
- 15 Kretinga, Lithuania

Innovation Center/ R&D Center

- 1 Douarnenez, France
- 2 Bangkok, Thailand

Corporate Office/Sales

- 1 El Segundo, CA, U.S.
- 2 Lake Success, NY, U.S.
- 3 Portsmouth, NA, U.S.
- 4 Shediac, Canada
- 5 Milan, Italy
- 6 Paris, France
- 7 Liverpool, UK
- 8 Bergen, Norway
- 9 Bangkok, Thailand
- 10 Shanghai, China

Our Vision

To be the world's most trusted seafood leader caring for our resources to nurture generations to come.

Our Mission

To be the seafood industry's leading agent of change, making a real positive difference to our consumers, our customers and the way the category is managed.

Our Goal

We are committed to **"Healthy Living, Healthy Oceans."** With a focus on health and wellbeing across our group's portfolio, we will strengthen the growth and profitability of our core businesses and expand into new, attractive areas. We will continue to lead the industry on sustainability while attracting and retaining talent.

Thai Union Strategy



Managing Through 2020

Last year was a challenging year, with unprecedented measures fighting a global pandemic. Thai Union started the year with a clear direction on how to execute the strategy towards 2025 (Strategy 2025). As COVID-19 spread globally, we initiated our crisis management protocols to ensure employee safety and navigate through the crisis. These protocols included comprehensive health & safety measures, planning for operational resilience as well as strict cash management and cost controls. While addressing the various challenges arising from the pandemic took immediate priority, we also saw an acceleration of trends which have further strengthened our belief in, and commitment to, our Strategy 2025.

Thai Union's Strategy 2025 builds on our determination to provide healthy and tasty products to consumers and on our commitment to industry-leading sustainability. In short, at Thai Union we focus on "Healthy Living, Healthy Oceans".

There are six elements in our strategy to create long-term value, which will help us fuel and sustain profitable, organic growth, shift and future-proof our Group portfolio.

Growing the Core

Firstly, we aim to achieve moderate but profitable growth in our core business, with a relentless focus on managing costs. We believe there are still substantial opportunities to grow in terms of both volume and value. We will achieve this via a three-pronged approach: tapping into existing and emerging white spaces through expanding our product ranges and optimizing our customer and geography mix; by selectively entering attractive adjacent categories; and by further developing and differentiating our value proposition especially in health and wellbeing. At the same time, we will continue the comprehensive agenda to continuously improve operations and reduce SG&A.



Diversifying Along Our Value Chains

Secondly, we will continue to diversify our Group portfolio by expanding into attractive businesses along our value chains. We are focused on further growing our PetCare and feed businesses, as well as continuing to invest in research and development of alternative protein. In PetCare, for example, Thai Union has deployed a new roadmap that utilizes innovation to enhance the nutritional aspect of our products. We work closely with our internal Global Innovation Centre to verify the efficacy of our products, with the ultimate goal to bring health and longevity to the pets we serve.

Exploring New Horizons

In addition to the above, Thai Union is building out new businesses that tap into the large opportunity to valorize our co-products and create high-margin and high-growth businesses. We have a unique strategic position in these businesses through our raw material access and innovation capabilities.

Within this mandate, we will continue to expand our Thai Union Ingredients business, which produces a branded range of marine ingredients, including UniQTMDHA, and the new UniQTMBONE product. We will invest to grow into other ingredients and specialized products, including commissioning a new factory to expand into protein processing. In addition to ingredients, Thai Union is exploring entering into other related businesses such as through partnerships with Thai Beverage Public Company Limited and Inter Pharma Public Company Limited.

At Thai Union, we recognize that not all innovations can be developed internally, especially as the food-tech space has become increasingly dynamic. As a result, we closely engage with, and support, global food-tech startups through our role as one of the founding members of SPACE-F, Thailand's first food-tech incubator/ accelerator, as well as through Thai Union's Corporate Venture Capital (CVC) fund.

Future-proofing Our Operations

As part of the next decade of Thai Union, we are retooling our efforts to strengthen our supply chain and operations, while increasing productivity and reducing our structural costs. We are investing in automation and artificial intelligence in order to further drive efficiency, increase quality, and improve decision-making with data digitalization. These changes will increase the resilience of our supply chain and ensure we are well-positioned for the future. Additionally, we have put in place structured programs to drive continuous improvement across our operations with detailed plans and clear line of sight on annual reduction of conversion costs.

Continuing Our Sustainability Leadership

We are proud to be recognized for our efforts in sustainability, not only in our own operations, but in the industry as a whole. Thai Union has been listed on the Food Products Industry Index of the Dow Jones Sustainability Indices (DJSI) for the past seven years and was ranked number one in the world in 2018 and 2019, and number two in 2020. Thai Union was also recently named to the FTSE4Good Emerging Index for the fifth straight year and was ranked number one on the inaugural Seafood Stewardship Index (SSI), which assessed the contribution of the world's 30 largest seafood companies to the United Nations Sustainable Development Goals. We continue to be focused on operationalizing SeaChange[®], our global, industry-leading sustainability strategy, across all

parts of our business, and integrating sustainability within our "Healthy Living, Healthy Oceans" strategy. At the same time, we are driving the next stage of our sustainability strategy by expanding our work on ocean stewardship and developing our climate change response. With these efforts, we expect Thai Union to continue to be a sustainability leader.

Developing Our Employees

At Thai Union, we are focused on improving employees' wellbeing, productivity and capability. As COVID-19 continues, we will continue to support our employees in this challenging situation. We have adapted the work environment across our offices to dynamically react to the respective local situation and requirements. We have also deployed initiatives to ensure employees are able to balance their personal and professional responsibilities, while prioritizing their emotional, mental and physical wellbeing.

In addition, we will continue to focus on talent development and strengthening our people capabilities, such as through the Thai Union Academy which focuses on upskilling and reskilling in high demand curriculums. In addition, we will continue our drive to increase employee engagement across all our businesses, with a focus on developing our future leaders.

We will allocate our resources in a disciplined fashion in line with the above priorities. As we continue to deliver efficiencies in our core business, we are freeing up resources to provide fuel for growth, both for core product innovation, as well as for investment into new strategic growth areas.

We continue to actively manage our Group portfolio, investing in higher-growth and higher-margin businesses and are determined to fix underperforming businesses. We continue to be prepared to take decisive actions to improve or exit

underperforming businesses. Any such actions are taken with full consideration and due diligence and in such a way as to minimize disruption and unlock the full potential of existing businesses.

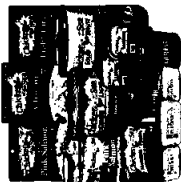
While we primarily focus on investing in driving profitable growth organically, we continue to selectively look at acquisitions and partnerships to further our strategic priorities. For potential acquisitions we will focus on areas of high strategic interest, particularly in high-growth categories and regions.

With the above strategy we are balancing a focus on top-and bottom-line growth with building the foundations for the future. In a rapidly changing environment, we believe the key to Thai Union's success is to continue building on our strengths; our access to naturally healthy and nutritious seafood, and our ability to lead the industry on innovation and sustainability. Thai Union will maintain an unwavering commitment to "Healthy Living, Healthy Oceans".

Our Brand Portfolio

Thal Union's vast selection of shelf-stable, chilled, and frozen foods and related products makes mealtime delicious, dynamic, easy, and healthy for millions of families worldwide. Our portfolio of consumer-favored brands across North America, Europe, Asia and the Pacific has a global reach, with product developments informed by local insights and market preferences.

Through strategic mergers and acquisitions, our family of brands is expanding its market share around the world. Our commitment to innovation, sustainable growth, quality, and consistency facilitates our competitive advantages.



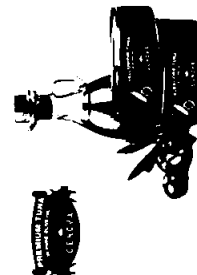
Chicken of the Sea® and Chicken of the Sea Frozen Foods

In 1914, Chicken of the Sea® began as a California-based fish canning company. Over the decades, its iconic mermaid image and reputation for quality have made it a household name. More than a century later, Chicken of the Sea® is synonymous with health, nutrition, and convenience, with a variety of products that, in addition to tuna, include sardines, shrimp, lobster, salmon and crab. Ensuring a healthy supply of seafood for future generations is imperative to Chicken of the Sea®. The Company has pioneered responsible sourcing initiatives including the Dolphin-Safe Policy, Shark Finning Ban, and a partnership with Marine Stewardship Council (MSC) and the International Seafood Sustainability Foundation (ISSF).

North America

GENOVA

In 1992, Thal Union's GENOVA brand of tuna was launched for customers seeking a high-quality, great tasting product. Genova uses wild-caught, hand-selected, premium yellowfin and albacore tuna, with its quality embodied in its slogan, "Simply Fulfilling." The growth of the premium tuna market is outpacing mainstream tuna products, and GENOVA is taking advantage of consumer trends by building awareness and expanding its distribution channels.



JOHN WEST



Since 1857, JOHN WEST has distinguished itself with its rich heritage and ongoing commitment to serving the highest-quality seafood products. The JOHN WEST brand's commitment to quality is matched by its emphasis on product and packaging innovation. In 1952, JOHN WEST introduced its canned tuna for the very first time – a product that would soon become a staple in kitchens everywhere. In 2014, JOHN WEST and Thal Union Europe committed to improving the sustainability of its seafood. The changes made, which now extend across all of Thal Union's global business, include implementing fishery improvement projects, meeting the standards of the MSC, improving management of fish aggregating devices in tuna fisheries, and protecting workers' rights with a code of conduct for all supply chain vessels. Over the years, JOHN WEST's portfolio has expanded across new product categories, not only offering products that come in convenient packaging to meet consumer's busy lifestyles, but also developing new ranges of products with enhanced functional benefits for healthy living.

PETIT NAVIRE

Founded in 1932, PETIT NAVIRE has established itself as the most famous French tuna brand. In 1982, its first television campaign etched the brand in French consumers' minds with the slogan "Le bon goût du large" ("The good taste of the sea"). PETIT NAVIRE has seen continuous operational growth throughout its history, and is a model of modernity for the entire industry.



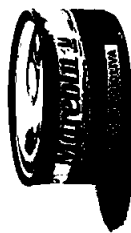
PARMENTIER

Since 1883, PARMENTIER has perfected the craft of canning to offer gourmet's real moments of pleasure. PARMENTIER's sardines are carefully selected and prepared with quality ingredients, creating tasty recipes that stand the test of time. Preserving its heritage of quality, PARMENTIER sardines are only fished during the ideal season, typically, between June and December. PARMENTIER selects only the best fish, carefully controls its curing process, and prepares them by hand.



KING OSCAR

The KING OSCAR brand was born from a royal's love of fine sardines. In 1902, KING OSCAR II, ruler of Norway and Sweden, granted special royal permission to the Christian Bjelland Company – one of Norway's leading seafood canning companies – to use his name and portrait on their Norwegian sardines. Since its founding, KING OSCAR has offered discerning consumers the finest premium seafood, sourced from the pristine waters of the Norwegian Sea. KING OSCAR is the number one premium sardine brand in the U.S., Norway, and Australia, while its mackerel line is number one in Poland. KING OSCAR's cod liver and mackerel lines are focused on premium, niche, and healthy sectors.



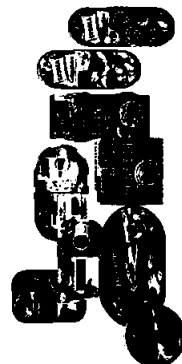
Mareblu

Mareblu, founded in the early 1970s, has developed as a strong, profitable, and attractive alternative to leading competitors in Italy. Thanks to its focus on quality and innovation, Mareblu is known as the only tuna brand in Italy that markets a complete range of NoDrain products where most of the oil has been removed in order to offer a lighter, healthier and more eco-friendly product, still delivering all taste and tenderness. This fully integrated process results in a product of the highest standards in taste, quality, and nutrition.



RÜGEN FISCH

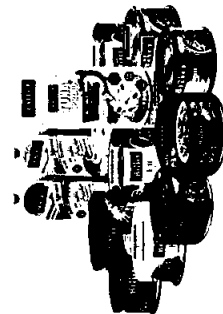
Since 1949, RÜGEN FISCH has grown its business to become the leading seafood company in Germany, representing a powerful line of ambient and chilled seafood brands. These include brands for shelf-stable canned seafood products such as RÜGEN FISCH and Hawesla, a historic brand founded in 1909, along with brands for chilled products such as Ostsee Fisch (smoked salmon products) and Lysell (canned premium seafood).



Asia-Pacific

SEALECT

In 1982, Thal Union established the SEALECT brand to introduce Thailand to canned tuna produced at a global standard. SEALECT has established itself as the leading tuna brand in Thailand, while also exporting to some surrounding countries. SEALECT continues to diversify its line of products, all of which represent quality and value for money. SEALECT's mission is to help consumers get the most out of seafood through new varieties, nutritional information, and recipes. We are open to new product development opportunities through local or global strategic partnership, to fulfill and meet the market demand. We want to ensure that our consumers can enjoy their favorite tuna menu, that come with both nutritional health benefits and delicious taste, in order to drive future growth of the overall tuna consumption.



FISHO

Created in 1996, FISHO was Thal Union's first snack brand for the Thai market, created from a perfect blend of premium-quality fish and richly-flavored seasonings. FISHO, with a mission to provide healthy snack foods in a wide variety, is available in strips, sheets, and sticks. Its popularity among teens and young adults, who can enjoy its taste while knowing they're snacking guilt-free.



MONORI

MONORI sea-snack products are one of Thai Union's first seafood snacks. They're fun, flavorful, and nutritious – made from the finest seafood ingredients, and cooked until perfectly crunchy. MONORI snacks are a healthier alternative to many other snacks. MONORI's shrimp snacks are available in Seaweed and Tom Yum flavors, and its salmon skin crisps in Egg Yolk and Original flavors. Like all of Thai Union's businesses, MONORI is committed to sourcing its ingredients for the highest quality and the best taste.



Strategic Partnerships

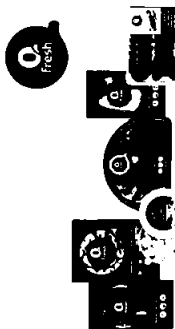


RED LOBSTER

RED LOBSTER, the world's largest seafood restaurant Company, has grown to become an iconic casual dining brand since its first location opened in Florida in 1968. RED LOBSTER has more than 700 locations in the U.S., Canada and around the world. In 2016, Thai Union made a strategic investment in RED LOBSTER after supplying the brand for more than 20 years. The investment not only marked a strategic step for Thai Union to build direct-to-consumer channel, but also allowed Thai Union to leverage restaurant industry expertise from the RED LOBSTER management team and increased synergies with Thai Union's core businesses through product development and expansion of suppliers.

Bellotta and Marvo

Bellotta and Marvo pet food brands offer a wide array of products, for both cats and dogs. Our pet food products come in variety of formats and flavors, and are made with high quality ingredients selected from Thai Union's own supply chain, as well as our strategic suppliers. Recognizing the growing trend of humanization and diverse demand from consumers, we are constantly expanding our product portfolio to offer appetizing and meticulously prepared meals with full nutritional benefits for beloved furry family members.

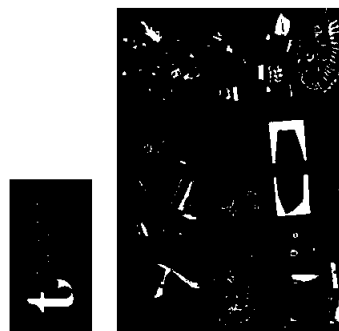


Qfresh

Qfresh offers "Fresh Quality" frozen seafood products through a wide range of culinary products that are ready-to-cook and ready-to-eat, available in both offline and online channels. Qfresh products are sustainably sourced, in combination with innovative processing and storage technology to ensure that freshness and nutritional content are maintained. Qfresh consumers enjoy seafood that is affordable, convenient, and nutritious. Qfresh also focuses on modern delivery methods, to ensure it delivers to the highest standards of freshness, original flavor, and safety. In 2019, Qfresh was rebranded with new brand logo and product packaging design, to establish brand uniqueness and increase consumer's awareness.

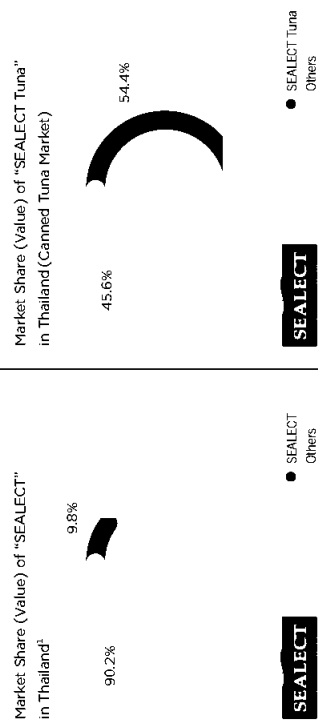
Thammachart Seafood

Managing more than 195 seafood counters in Thailand, Thai Union entered a strategic partnership with Thammachart Seafood in 2018, and increased its stake to 65 percent in 2019. The partnership has expanded Thai Union's business portfolio into seafood counter service, food service and F&B concepts totalling 18 outlets, which include The Dock Seafood Bar, The Lobster Lab, Seafood Mahanakorn and the management of Ocean Bar.

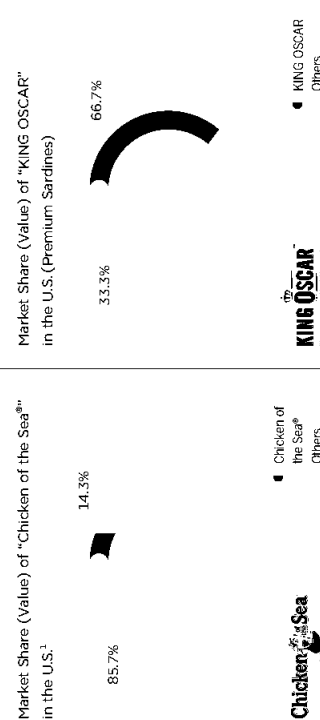


Selected Brand Share in 2020

Thailand

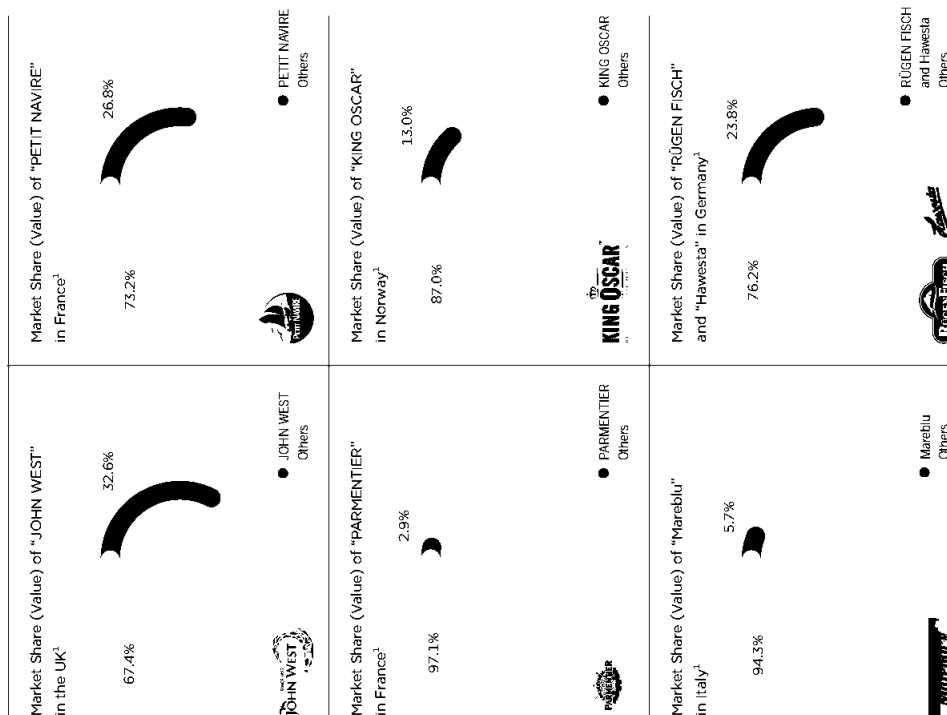


U.S.



¹ of total canned seafood market
Source: AC Nielsen and IRI

Europe



¹ of total canned seafood market
Source: AC Nielsen and IRI



Financial Highlights

Financial Data (THB Billion)	Year	
Sales	132.4	126.3
Gross Profit	23.4	20.1
EBITDA	13.0	10.2
Total Assets	144.6	141.9
Total Liabilities	88.8	90.1
Shareholders' Equity	55.7	51.8
Net Cash from Operating Activities	13.4	11.8
Net Debt (Interest-bearing debt net of cash and cash equivalents)	52.1	55.2
Annual Dividend	3.4	2.2
Per Share Data (THB)	Year	
Basic Earnings per Share	1.26	0.80
Diluted Earnings per Share	1.26	0.80
Dividend per Share	0.72	0.47
Par Value	0.25	0.25

5-Year Comparative Financial Statistics

Sales (THB Billion)	2016	2017	2018	2019	2020	EBITDA (THB Billion)	2016	2017	2018	2019	2020	Net Profit Attributable to Owners of the Parent (THB Billion)	2016	2017	2018	2019	2020		
134.4	134.9	133.3	126.3	132.4	130.0	11.3	11.6	9.5	10.2	13.0	6.2	5.3	6.0	3.3	3.8	55.2	52.1		
Total Assets (THB Billion)	Total Liabilities to Equity (Times)	Return on Capital Employed (%)	Return on Average Equity (%)	Dividend per Share (THB)	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
142.2	141.9	10.6	11.9	0.40	141.9	141.9	141.9	141.9	141.9	141.9	141.9	141.9	141.9	141.9	141.9	141.9	141.9	141.9	141.9
1.7	2.1	9.2	13.7	0.72	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
1.6	1.6	8.7	12.4	0.72	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6

Remarks:

- 2016 is not restated with reclassification of The Edinburgh Salmon Company Ltd. (ESCO) to discontinued operation.

Corporate History and Development

Thai Union Group was originally founded in 1977 under Thai Union Manufacturing Company Limited, as a processor and exporter of canned tuna. In 1988, Thai Union Frozen Products PCL. was founded. The business was primarily concerned with frozen seafood production and exports, as a private company limited, with an initial registered capital of THB 25 million. In 1992, Mitsubishi Corporation and Hageromo Foods Corporation became business partners in Japan. Mitsubishi Corporation, a leading food distributor in Japan, and Hageromo Foods Corporation, a major seafood producer, played a significant role in developing Thai Union's products to meet international standards and become competitive in markets around the world. Thai Union went public with a listing on The Stock Exchange of Thailand on 22 November 1994 as Thai Union Frozen Products PCL. (TUF). In 2015, the entire group was renamed Thai Union Group, MW Brands SAS was changed to Thai Union Europe and Thai Union International Inc. was changed to Thai Union North America Inc.

Global Expansion Milestones

1997



First overseas investment with the acquisition of Chicken of the Sea®, which had the third-highest market share of canned tuna brands in the U.S.

2003

Acquired Empress International Ltd., a frozen seafood importer and distributor in the U.S.

2006

Established Tri-Union Frozen Products, Inc. (Chicken of the Sea Frozen Foods) to market frozen seafood in the U.S. Chicken of the Sea Frozen Foods was later merged with Empress International.

Acquired a majority stake in PT Jui Fa International Food, a canned tuna producer and exporter based in Indonesia.

2014

Further expansion into Europe with the acquisition of MerAlliance SAS, Europe's number four smoked salmon producer and number one in France.



Acquired King Oscar AS of Norway, the number one premium shelf-stable sardine brand in Norway, the U.S. and Australia and with over 140 years of heritage.

2015

Completed acquisition of Orion Seafood International, the U.S.-based leading global supplier of lobsters, by Chicken of the Sea Frozen Foods.

Entered into a joint venture with Savola Foods Company, one of the largest consumer goods producers in the Middle East.

2016

Completed acquisition of majority stake in RÜGEN FISCH, the leading seafood Company in Germany.

Acquired a 40 percent equity stake of Avanti Feeds Limited's shrimp processing unit Avanti Frozen Foods Private Limited.

Acquired majority stake in Canadian lobster processor Les Pêcheries de Chez Nous (Chez Nous).



Made a USD 575 million strategic investment in Red Lobster Seafood Co., the world's largest seafood restaurant Company.

Sold TTV, a Ghana-based firming firm and divested the Company's vessels.

2017

Fully established Thai Union China, with offices in Shanghai and Beijing.

Bought out the minority investors in Pakfood in Thailand as well as in YCC in Vietnam, with both now fully owned Thai Union subsidiaries*.

2018

Acquired a 25.1 percent stake in Thamachart Seafood Retail Co., Ltd. (TSR).

Acquired a 45 percent stake in TUMD Luxembourg S.a.r.l., which wholly-owns three Russian retail focused fish and seafood businesses.

Increased our shareholding in Thai Union Feedmill Co., Ltd., a Thai Union Group subsidiary, to 66.9 percent.

Thai Union Feedmill set up a joint venture Company, a manufacturer of aqua feed, particularly shrimp feed, based in the Indonesian city of Surabaya.

Thai Union subsidiary's Européenne de la Mer closed the loss-making chilled salmon business in Scotland. The Edinburgh Salmon Company Ltd.

2019

Increased our shareholding in TSR to 65 percent to expand our footprint in Thailand's domestic seafood retail business.

Invested in the foundation of a corporate venture fund as part of our continuous investment in innovation.

Remark:
* 99.7 percent in Pakfood, 100 percent in YCC.

2020

A Year of Challenges and Continued Expansion

In 2020, the COVID-19 pandemic posed challenges to businesses and communities globally. Thal Union set up a globally cascading crisis management structure, from the corporate center down to each of our locations, to develop and implement our pandemic response to keep our employees safe and our operations running.

- We increased our holding in TUMD Luxembourg S.a.r.l., the joint-venture vehicle in three Russian seafood companies, to 90 percent, giving us operational control of our Russian business.
- We further expanded our work with, and investments in, innovative food-tech startups. Our Corporate Venture Capital (CVC) fund has grown to six investments in the areas of alternative protein, functional nutrition and value chain technology.

- Tri-Union Seafood LLC has reached an agreement in principle to settle antitrust litigation cases in the U.S.
- We invested in a new joint venture, Food and Beverage United Company Limited, with Thai Beverage PLC., to collaborate on product development, production and distribution of food and beverage products.
- We repurchased 11.7 million shares for THB 1.5 billion to help manage the Company's excess liquidity.

Sustainability Efforts

Sustainability is at the heart of Thal Union's business and while COVID-19 caused disruption to our operations in 2020, we were able to maintain our focus on being a global leader in the seafood industry and continuing to pursue our sustainability goals. Thal Union was very proud to be listed on the Dow Jones Sustainability Indices (DJSI) for the seventh consecutive year. We were ranked second in the world on the Food Products Industry Index, with our global sustainability strategy SeaChange® driving continuous year-on-year improvement and helping us increase our overall score.

2020 also marked the completion of the first five years of SeaChange®. Reflecting on the progress made thus far, we look forward to working with our stakeholders to advance the next five years of SeaChange®, in particular with the introduction of a new objective of 'Combating climate change and promoting healthy diets through sustainable seafood'.

Other key initiatives and activities:

- Became the first food producer and Thailand-listed company to join EP100, a Climate Change initiative on smarter energy use.
- Thal Union received the Sustainability Disclosure Award from ThaiPat Institute and Thailand's Securities & Exchange Commission (SEC).
- Thal Union was included in the Thailand Sustainability Investment Index by The Stock Exchange of Thailand.
- Thal Union was included in the FTSE4Good Emerging Index for the fifth consecutive year.
- Thal Union received the Human Rights Award 2020 in the private sector category by the Rights and Liberties Protection Department of the Thai Ministry of Justice.
- Thal Union was awarded Asia's Best CSR (Thailand) at the 10th Asian Excellence Awards by Corporate Governance Asia.
- Recognized for its global initiatives to deliver against the United Nations Sustainable Development Goals (UN SDGs) at the Responsible Business Awards 2020. Thal Union received the SDG Impact Award.
- Sponsored the Thailand Sustainability Expo with key partners GC and ThaiBev to raise social awareness around the importance of sustainable development.
- Dr. Darian McBain, Group Director, Sustainability, was named to Fast Company's Most Creative People in Business for 2020.
- Thal Union published its UK Modern Slavery Act Transparency Statement, which covered the period up to 10 July 2020, in compliance with the requirements under the UK Modern Slavery Act 2015.
- Thal Union introduced its Non-Repatriation Policy, which is designed to encourage and enable the Company's entire workforce to voice their concerns, seek advice, file a complaint or grievance, testify or participate in investigations, proceedings or hearings, without fear of retaliation.
- In response to COVID-19, Thal Union made donations to communities around the world to support them during the pandemic.
- Thal Union opened its fifth preschool in Samut Sakhon to help the children of migrant workers prepare for the Thai education system.
- Thal Union introduced its Policy for the Responsible Sourcing of Tuna as part of our strategy to be actively involved in implementing activities to drive continuous improvement of sustainability aspects in our supply chains.

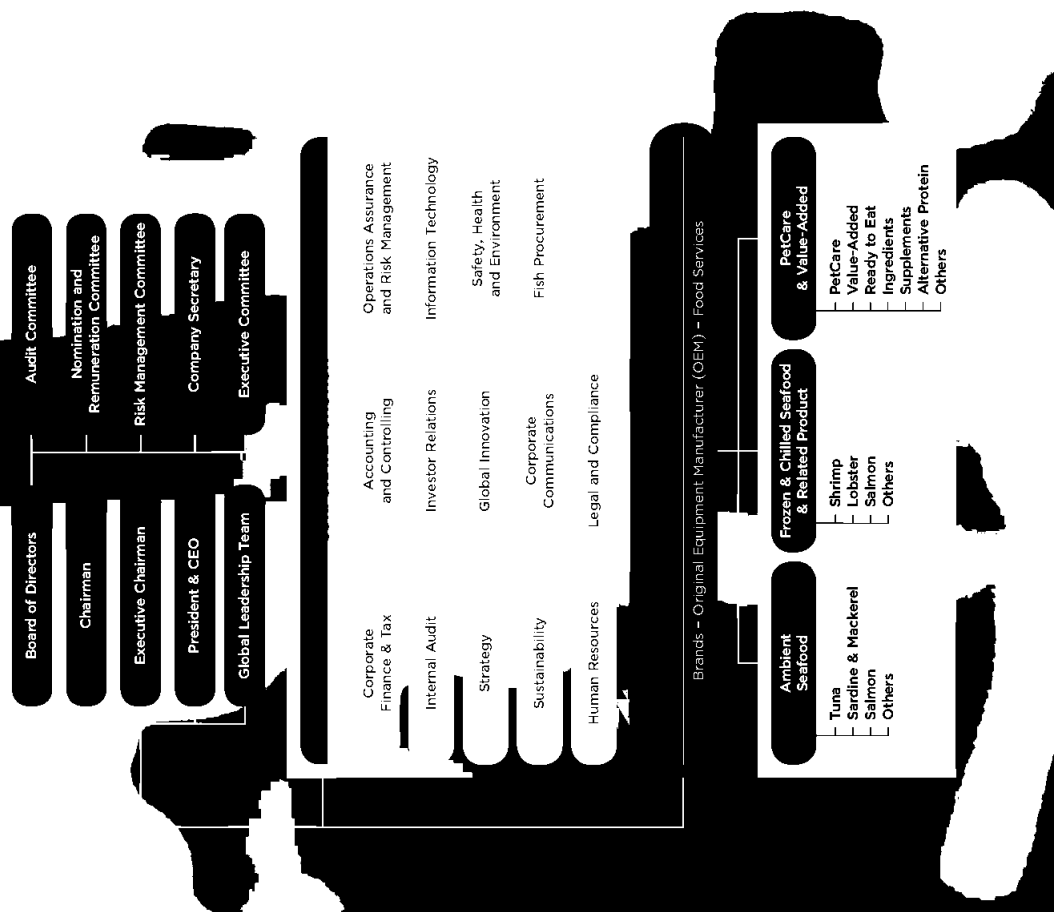
Funding Plan

The Company has fully used funds from bonds issuance according to its objectives as follows: to support business expansion, increase in production capacity, investment and/or development of new and/or existing projects, merger & acquisition, repayment of loans from financial institutions, refinancing, working capital, business improvement and/or any other Company's activities, on-lending to its subsidiaries, and/or financial management or financial ratio management by the Company and/or its subsidiaries.

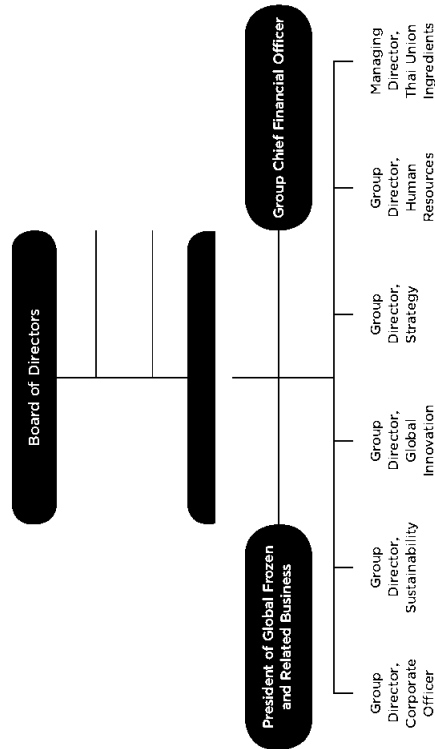




Organization Chart



Organization Chart, as defined by the Securities and Exchange Commission



Management Team

As of 31 December 2020, the Company's management team, as defined by the Securities and Exchange Commission, consisted of the following persons;

Name	Position
1. Thiraphong Chansiri	President and CEO
2. Rittirong Boonmechote	President of Global Frozen and Related Business
3. Joerg Aytle	Group Chief Financial Officer
4. Siue Chung Chan	Group Director, Corporate Office
5. Darian McBain	Group Director, Sustainability
6. Tunyawat Kasemsuwan	Group Director, Global Innovation
7. Patrick Berlanffy	Group Director, Strategy
8. Kulshaan Singh	Group Director, Human Resources
9. Leonardus Coolen	Managing Director, Thai Union Ingredients
10. Anuratt SurattanaJindaporn	Deputy General Manager, Accounting and Controlling

Board of Directors

KRAISORN CHANSIRI

Position: Chairman
Nationality: Thai
Age: 86 years (born on 13 May 1935)



Education:

- Honorary Doctorate Degree of Philosophy in Business Administration, Mae Fah Luang University
- Honorary Science Degree of Doctor of Philosophy in Food Science and Technology, Thai Chamber of Commerce University

Shareholdings:

- 231,134,720 shares*, equivalent to 4.84 percent of paid-up capital
- Personal: 174,804,288 shares
- Spouse: 56,330,432 shares
- Children not yet of legal age: -none- shares

Starting date:

17 March 1988

No. of years in position:

33 years

Positions in other listed companies:

-none-

Remarks:

- * Number of shares held and percent shareholding as of 30 December 2020 of the total of 4,771,815,496 shares.

Positions in other organizations:

- 1973 - Present Chairman, Thal Union Manufacturing Co., Ltd.
- 1977 - Present Chairman, Thal Sea Food Co., Ltd.
- 2000 - Present Chairman, Merchant Partners Securities PCL
- 2011 - Present Chairman, Merchant Partners Asset Management Co., Ltd.
- 1972 - Present Executive Director, Thal Union Trading Co., Ltd.
- 1981 - Present Executive Director, Songkla Canning PCL
- 1984 - Present Executive Director, Perven (Thailand) Co., Ltd.
- 1988 - Present Executive Director, Thal Union Properties Co., Ltd.
- 1990 - Present Executive Director, Bangkok Condominium Co., Ltd.
- 1995 - Present Executive Director, Thai Union Graphic Co., Ltd.
- 2004 - Present Executive Director, Thai Hua Hong Development Co., Ltd.
- 2006 - Present Executive Director, Chansiri Printing and Dyeing Co., Ltd.
- 2017 - Present Executive Director, Thal Union Property Development Co., Ltd.
- 1988 - Present Director, Chansiri Real Estate Co., Ltd.
- 1993 - Present Director, Walhai Co., Ltd.
- 1996 - Present Director, Thal Union North America (USA)
- 1996 - Present Director, Thal Union Seafood Co., Ltd.
- 1997 - Present Director, Tri-Union Seafoods, LLC. (USA)
- 2014 - Present Director, Thal Union High-Tech Pearl Cultivation Co., Ltd.

Position in other organizations that have conflicts to the Company:

None

Training/ Seminar Course related to Directorship:

- The Role of Chairman Program organized (RCP 15/2007), Thai Institute of Directors Association
- Certificate, Capital Market Academy Leader Program 12 (March - July 2011)

CHENG NIRUTTINANON

Position: Chairman of Executive Director
Nationality: Thai
Age: 79 years (born on 3 March 1942)



Education:

- The second Middle School of Shantou, People's Republic of China

Shareholdings:

- 288,374,116 shares*, equivalent to 5.62 percent of paid-up capital
- Personal: 200,442,084 shares
- Spouse: 67,932,032 shares
- Children not yet of legal age: -none- shares

Starting date:

8 April 1999

No. of years in position:

22 years

Positions in other listed companies:

-none-

Positions in other organizations:

- 1987 - Present Chairman, Asian-Pacific Can Co., Ltd.
- 1987 - Present Chairman, TC Union Agrotech Co., Ltd.
- 1988 - Present Chairman, Asian Pacific Thai Tuna Co., Ltd.
- 1990 - Present Chairman, Lucky Union Foods Co., Ltd.
- 1992 - Present Chairman, Jana Industry Co., Ltd.
- 1973 - Present Executive Director and Managing Director, Thai Union Manufacturing Co., Ltd.
- 2010 - Present Executive Director, Oriental Unique Co., Ltd.
- 2011 - Present Executive Director, Thai Glycenne Co., Ltd.
- 2013 - Present Executive Director, Phil-Union Frozen Foods, Inc. (Philippines)
- 2019 - Present Executive Director, Thal Union Ingredients Co., Ltd.
- 1993 - Present Director, Walhai Co., Ltd.
- 1996 - Present Director, Thal Union North America (USA)
- 1997 - Present Director, New Century Printing and Package Co., Ltd.
- 1997 - Present Director, Tri-Union Seafoods, LLC. (USA)
- 2000 - Present Director, Thal Union Feedmill PCL
- 2007 - Present Director, Yueh Chyang Canned Food Co., Ltd. (Vietnam)
- 2008 - Present Director, Thaipatana Stainless Steel Co., Ltd.
- 2010 - Present Director, Thal Union Europe (France)
- 2010 - Present Director, U.S. Pet Nutrition LLC. (USA)
- 2010 - Present Director, Tri-Union Frozen Products, Inc. (USA)
- 2001 - Present Managing Partner, Hunting Kanchang Registered Ordinary Partnership

Position in other organizations that have conflicts to the Company:

None

Training/ Seminar Course related to Directorship:

None

Remarks:

- * Number of shares held and percent shareholding as of 30 December 2020 of the total of 4,771,815,496 shares.



CHUAN TANGCHANSIRI

Position: Executive Director
Nationality: Thai
Age: 76 years (born on 9 September 1945)

Education:

- Bachelor's degree, South China Normal University, People's Republic of China

Shareholdings:

- 38,668,000 shares*, equivalent to 0.81 percent of paid-up capital
- Personal: 38,668,000 shares
- Spouse: none-shares
- Children not yet of legal age: none-shares

Starting date:

17 March 1988

No. of years in position:

33 years

Positions in other listed companies:

-none-

Positions in other organizations:

- 1981 - Present Executive Director, Songkla Canning PCL.
- 1973 - Present Executive Director, Thai Sea Food Co., Ltd.
- 1977 - Present Executive Director, Thai Sea Food Co., Ltd.
- 1987 - Present Executive Director, Asian-Pacific Can Co., Ltd.
- 1988 - Present Executive Director, Asian-Pacific Can Co., Ltd.
- 1988 - Present Director, Chansiri Real Estate Co., Ltd.
- 1988 - Present Director, Thai Union Properties Co., Ltd.
- 1993 - Present Director, Walthal Co., Ltd.
- 1995 - Present Director, Thai Union Seafood Co., Ltd.
- 1996 - Present Director, Thai Union Seafood Co., Ltd.
- 1999 - Present Director, Asia-Pacific Risk Consultants (Thailand) Co., Ltd.
- 2004 - Present Director, Asia-Pacific Insurance Brokers Co., Ltd.
- 2008 - Present Director, Thai Palana Stainless Steel Co., Ltd.
- 2010 - Present Director, Thai Union Investment Holding (Mauritius) Managing Partner,
- 2017 - Present Director, Oleanos Food Co., Ltd.
- 2001 - Present Hunhong, Kanchang Registered Ordinary Partnership

Position in other organizations that have conflicts to the Company:

None

Training/ Seminar Course related to Directorship:

- Directors Accreditation Program organized (DAP 86/2010), Thal Institute of Directors Association

Remarks:

- Number of shares held and percent shareholding as of 30 December 2020 of the total of 4,771,815,496 shares.



THIRAPHONG CHANSIRI

Position: President and CEO
Nationality: Thai
Age: 56 years (born on 22 July 1965)

Education:

- Bachelor's Degree (Marketing), Assumption University
- Master of Business Administration (Management), University of San Francisco, USA

Shareholdings:

- 509,065,212 shares*, equivalent to 10.67 percent of paid-up capital
- Personal: 399,736,164 shares
- Spouse: 109,329,048 shares
- Children not yet of legal age: -none- shares

Starting date:

1 January 1990

No. of years in position:

31 years

Positions in other listed companies:

- 2014 - Present Director, Minor International PCL.

Positions in other organizations:

- 1996 - Present Chairman, Thai Union Seafood Co., Ltd.
- 1995 - Present President, Thai Union Graphic Co., Ltd.
- 1996 - Present President, Thai Union North America (USA)
- 2010 - Present President, Thai Union Investment Holding (Mauritius)
- 2010 - Present President, Thai Union Europe (France)
- 1999 - Present Executive Director, Songkla Canning PCL.
- 2012 - Present Executive Director, Pakfood PCL. (including 4 Companies)
- 1989 - Present Executive Director, Thai Union Manufacturing Co., Ltd.
- 2016 - Present Executive Director, Thai Union Online Shop Co., Ltd.
- 2016 - Present Executive Director, Thai Union China Co., Ltd. (China)
- 2016 - Present Executive Director, Pracharat Raksaemakee Samutsakorn (Social Enterprise) Co., Ltd.
- 2017 - Present Executive Director, Thoon Thanasiri Co., Ltd. (including 7 Companies)
- 2017 - Present Executive Director, Thai Union Asia Investment Holding Co., Ltd. (Hong Kong)
- 2019 - Present Executive Director, Thai Union Ingredients Co., Ltd.
- 2020 - Present Executive Director, Food and Beverage United Co., Ltd.
- 2021 - Present Executive Director, Interpharma-zavita Co., Ltd.
- 1984 - Present Director, Penven (Thailand) Co., Ltd.
- 1988 - Present Director, Chansiri Real Estate Co., Ltd.
- 1988 - Present Director, Thai Union Properties Co., Ltd.
- 1993 - Present Director, Asian-Pacific Can Co., Ltd.
- 1993 - Present Director, Lucky Union Foods Co., Ltd.
- 1993 - Present Director, Walthal Co., Ltd.
- 1997 - Present Director, Tri-Union Seafoods, LLC.(USA)
- 2000 - Present Director, Thai Union Feedmill Co., Ltd.
- 2000 - Present Director, Biz Dimension Co., Ltd.
- 2009 - Present Director, TN Fine Chemicals Co., Ltd.
- 2010 - Present Director, Tri-Union Frozen Products, Inc. (USA)
- 2010 - Present Director, U.S. Pet Nutrition LLC.
- 2014 - Present Director, Thai Union High-Tech Pearl Cultivation Co., Ltd.
- 2016 - Present Director, Red Lobster Master Holdings LP (USA)
- 2017 - Present Director, Thai Union Property Development Co., Ltd.

Position in other organizations that have conflicts to the Company:

None

Training/ Seminar Course related to Directorship:

- Directors Certification Program organized (DCP 10/2001), Thal Institute of Directors Association

**RITTIRONG BOONMECHOTE**

Position: Executive Director
Nationality: Thai
Age: 59 years (born on 26 February 1962)

**Education:**

- Bachelor's Degree, Bangkok University

Shareholdings:

- 63,442,980 shares*, equivalent to 1.33 percent of paid-up capital
- Personal: 63,442,980 shares
- Spouse: none- shares
- Children not yet of legal age: none- shares

Positions in other organizations:

- 2000 - Present: Chairman of Executive Director, Thal Union Feedmill PCL.
- 1996 - Present: President, Thal Union Seafood Co., Ltd.
- 2012 - Present: President, TMAC Co., Ltd. (including 4 Companies)
- 2012 - Present: President, Pakfood PCL. (including 4 Companies)
- 2016 - Present: Executive Director, Thal Union China Co., Ltd. (China)
- 2017 - Present: Executive Director, RBC Asset Co., Ltd.
- 2018 - Present: Executive Director, Thaimachart Seafood Retail Co., Ltd
- 1997 - Present: Director, Tri-Union Frozen Products, Inc. (USA)
- 2016 - Present: Director, Thal Union Online Shop Co., Ltd.
- 2016 - Present: Director, Red Lobster Master Holdings LP (USA)

Position in other organizations that have conflicts to the Company: None

Starting date:

- 25 April 2002 (Joined TU on 5 January 1998)

No. of years in position:

- 19 years

Positions in other listed companies:

- none-

Training/ Seminar Course related to Directorship:

- TLCA Executive Development Program (EDP2/2009), Thai Institute of Director Association
- Director Accreditation Program (DAF84/2010) organized, Thai Institute of Director Association
- Leader Program No. 25/2560, Capital Market Academy
- Advanced Master of Management Program (AMM) No. 1, Graduate School of Public Administration (GSPA)

Remarks:

- Number of shares held and percent shareholding as of 30 December 2020 of the total of 4,771,815,496 shares.

NORIO SAIGUSA

Position: Director
Nationality: Japanese
Age: 59 years (born on 19 July 1962)

**Education:**

- Bachelor (Economics), Waseda University, Japan

Shareholdings:

- none- shares*, equivalent to - of paid-up capital
- Personal: none- shares
- Spouse: none- shares
- Children not yet of legal age: none- shares

Positions in other organizations:

- 2019 - Present: Executive Vice President and Group CEO, Food Industry Group, Mitsubishi Corporation

Position in other organizations that have conflicts to the Company: None

Work Experience:

- 2017 - 2019: Senior Vice President, Mitsubishi Corporation President, Mitsubishi Company (Thailand), Ltd., Bangkok Division COO, Living Essential Resources Div., Mitsubishi Corporation
- 2016 - 2017: General Manager for Strategy Planning, Global Strategy, Investment, Risk Management, Living Essential Resources Div., Mitsubishi Corporation
- 2014 - 2015: Deputy Division COO, Living Essential Resources Div., Mitsubishi Corporation

Starting date:

- 5 April 2019

No. of years in position:

- 2 years

Positions in other listed companies:

- none-

Training/ Seminar Course related to Directorship: None

Remarks:

- Number of shares held and percent shareholding as of 30 December 2020 of the total of 4,771,815,496 shares.

RAVINDER SINGH GREWAL SARBJIT S

Position: Director
Nationality: Malaysian
Age: 52 years (born on 15 September 1969)



Education:

- Bachelor's Degree, University of New South Wales, Australia

Shareholdings:

- none - shares *
- equivalent to - of paid-up capital

- Personal: none - shares
- Spouse: none - shares
- Children not yet of legal age: none - shares

Starting date:

15 November 2010

No. of years in position:

10 years

Positions in other listed companies:

-none-

Positions in other organizations:

- 2010 - Present Director, Thal Union Europe (France)
- 2014 - Present Director, Alpha Energy Holdings Limited (Singapore)
- 2014 - Present Director, Scormi Energy Services Bhd (Malaysia)
- 2014 - Present Director, JK E&P Group Pte. Ltd. (Singapore)
- 2014 - Present Director, Conquest Energy Pte. Ltd. (Singapore)

Position in other organizations that have conflicts to the Company:

None

Work Experience:

- 2011 - 2014 Director, Wellard Group Holdings Pty Ltd (Australia)
- 2010 - 2011 Alt Director, Stralis Metal Limited (Australia)
- 2010 - 2013 Alt Director, Otto Marine Limited (Singapore)
- 2007 - 2013 Director, Scormi Oilfield Limited (Bermuda)
- 2007 - 2013 Director, Sheng-Li Hotels (Malaysia) Berniad (Malaysia)
- 2007 - 2007 Alt Director, Scormi Oilfields Ltd (BVI)
- 2005 - 2011 Director, Sai Woo Technologies Ltd (Singapore)

Training/ Seminar Course related to Directorship:

- Certified Public Accounts, Australian Society

Remarks:

- Number of shares held and percent shareholding as of 30 December 2020 of the total of 4,771,815,496 shares.

SHUE CHUNG CHAN
Position: Executive Director
Nationality: Chinese
Age: 45 years (born on 29 October 1975)



Education:

- Bachelor's Degree, Oregon State University, USA
- Master of Business Administration, Bangkok University

Shareholdings:

- 12,295,272 shares* equivalent to 0.26 percent of paid-up capital

- Personal: 12,295,272 shares
- Spouse: none - shares
- Children not yet of legal age: none - shares

Starting date:

30 April 2001

No. of years in position:

20 years

Positions in other listed companies:

-none-

Positions in other organizations:

- 2002 - Present Executive Director, Thal Union Feedmill Co., Ltd.
- 2014 - Present Executive Director, Thal Union Graphic Co., Ltd.
- 2015 - Present Executive Director, Thal Union Seafood Co., Ltd.
- 2018 - Present Executive Director, EHS Training and Services Co., Ltd.
- 2020 - Present Director, Thal Union South East Asia Pte. Ltd. (Singapore)
- 2017 - Present Director, Thoon Thanasiri Co., Ltd.
- 2018 - Present Director, Biz Dimension Co., Ltd.
- 2018 - Present Director, Thoon Thanasiri (Songkhla) Co., Ltd.

Position in other organizations that have conflicts to the Company:

None

Training/ Seminar Course related to Directorship:

- Directors Certification Program organized (DCP 10/2002), Thal Institute of Directors Association
- TLCA Executive Development Program (EDP1/2009), Thal Institute of Directors Association

Remarks:

- Number of shares held and percent shareholding as of 30 December 2020 of the total of 4,771,815,496 shares.



SAKDI KIEWKARNKHA

Position: Independent Director

Nationality: Thai

Age: 86 years (born on 21 February 1935)

Education:

- Bachelor's Degree (Accounting, Commerce and Law), Thammasat University

Shareholdings:

- 50,000 shares*, equivalent to 0.00 or paid-up capital
- Personal: 50,000 shares
- Spouse: none- shares
- Children not yet of legal age: none- shares

Starting date:

22 August 2000

No. of years in position:

20 years

Positions in other listed companies:

- 2016 - Present: Advisor to the Board of Director, Dusit Thani PCL

Positions in other organizations:

- 1985 - Present: Vice President, The Princess Mother's Medical Volunteer Foundation

Position in other organizations that have conflicts to the Company: None

Work Experience:

- 1958 - 1973: Banking Ombudsman, Bank of Thailand
- 1973 - 1996: Executive Vice President, Siam Commercial Bank PCL
- 1998 - 2001: Executive Director and Advisor to Executive Board, Bangkok Metropolitan Bank PCL
- 1998 - 2000: Executive Director, Bangkok Metropolitan Life Insurance Co., Ltd.
- 2000 - 2003: Chairman of Audit Committee, Book Club Finance PCL
- 2000 - 2016: Independent Director & Audit Committee Member, Dusit Thani PCL

Training/ Seminar Course related to Directorship:

- Certified Public Accountants No. 0156 from 1962
- Attorney of Law No. 2913401 from 1986
- The Role of Chairman Program organized (RCP 4/2001), Thai Institute of Directors Association
- Directors Certification Program organized (DCP 13/2001), Thai Institute of Directors Association
- Director Certification Program Refresher Course organized (RE DCP 2/2006), Thai Institute of Directors Association
- Handling Conflicts of Interest: What the Board should do? Organized, Thai Institute of Directors Association (4/2008)
- The Role of Compensation Committee organized (RCC 9/2009), Thai Institute of Directors Association
- Executive Program, Stanford University & University of Singapore
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- How to Develop a Risk Management Plan organized (HRP 2/2012), Thai Institute of Directors Association
- Audit World - Conference 25 - 26 June 2012 Resort World Convention Centre, Singapore

Remarks:

- Number of shares held and percent shareholding as of 30 December 2020 of the total of 4,771,815,496 shares.

- Audit World - Post Conference 27 June 2012 Resort World Convention Centre, Singapore
- COSO - ERM Evaluation 12 - 13 October 2013, Federation of Accounting Professions
- The Updated COSO's 2013 Integrated Internal Control 4 December 2013, The Stock Exchange of Thailand
- Audit Committee Financial Expert 22 May 2014, Federation of Accounting Professions
- Corporate Governance in the Perspective of Investors - CG Forum 4 June 2014, The Stock Exchange of Thailand
- Management for CEO's and Senior Executive, Thai Institute of Directors Association
- Director Certification Program Update organized (HRP 2/2012), Thai Institute of Directors Association (DCP-U 1/2014)
- Advanced Audit Committee Program organized (AACP 20/2015), Thai Institute of Directors Association
- Thailand IFRS Conference 2016, Federation of Accounting Professions
- Driving Company Success with IT Governance (ITG) IT for Non-IT Director, Thai Institute of Directors Association
- National Director Conference 2016: Enhancing Growth Through Governance in Family Controlled Business, Thai Institute of Directors Association
- Audit Committee Forum "New Auditor's Report: What's in it for you?", Thai Institute of Directors Association
- Cash flow statement preparation, Department of Business Development, Thailand's Ministry of Commerce
- A discussion on corporation's preparedness for the cybersecurity threats in the digital transformation Era, Thai Institute of Directors Association
- National Director Conference 2017 "Steering Governance in a changing world", Thai Institute of Directors Association
- The Audit Committee's Role in Compliance and Ethical Culture Oversight, Thai Institute of Directors Association
- Updated COSO Enterprise Risk Management, Integrating with Strategy and Performance, The Stock Exchange of Thailand
- Dealing with Cyber Risk in the Boardroom, Thai Institute of Directors Association
- Enterprise Risk Management: Integrating with Strategy and Performance, Federation of Accounting Professions



THAMNOON ANANTHOTHAI

Position: Independent Director
Nationality: Thai
Age: 64 years (born on 4 May 1957)

Education:

- Bachelor of Business Administration (Accountancy & Management), Eckerd College-St. Petersburg, USA
- Master of Business Administration (Management), University of Sarasota, USA
- Ph.D., International Management, Walden University, USA

Position in other listed company:

- 2007 - Present Vice Chairman and Chairman of Audit Committee, Better World Green PCL

Positions in other organizations:

- 2004 - Present Executive Director, Merchant Partners Securities PCL
- 2013 - Present Executive Director, Merchant Partners Co., Ltd.
- 2014 - Present Director, The Princess Mother's Medical Volunteer Foundation
- 2015 - Present Advisor, Internal-Based Business Group Co., Ltd.
- 2019 - Present Subcommittee on Capital Markets Digital Strategy, The Securities and Exchange Commission, Thailand

Position in other organizations that have conflicts to the Company: None

Work Experience:

- 1990 - 1995 Thailand Representative of Nomura Office (Securities Company from Japan)
- 1994 - 1997 Deputy CEO (Securities), Smitr Securities PCL
- 1997 - 2002 Associate Judge, Central Intellectual Property and International Trade Court
- 1998 - 2002 President and CEO, DBS Vickers Securities (Thailand) Co., Ltd.
- 2005 - 2015 Audit Committee/ Chairman of Nomination and Remuneration Committee, Property Perfect PCL.
- 2006 - 2014 Chairman of Audit Committee, Eastern Printing PCL.
- 2007 - 2014 Chairman of the Board, Vintage Engineering PCL.
- 2007 - 2018 Vice Chairman and Chairman of Audit Committee, IFS Capital (Thailand) PCL
- 2008 - 2014 Director and Audit Committee, Bangkok University
- 2012 - 2013 Independent Director, Paktood PCL
- 2016 - 2020 Independent Director and Audit Committee, After you PCL.

Training/ Seminar Course related to Directorship:

- Audit Committee Program organized (ACP 10/2004), Thai Institute of Directors Association
- Directors Accreditation Program organized (DAP 48/2006), Thai Institute of Directors Association
- Directors Certification Program organized (DCP 70/2006), Thai Institute of Directors Association
- The Role of Chairman Program organized (RCP 14/2006), Thai Institute of Directors Association
- Understanding the Fundamental of Financial Statement organized (UFS 7/2007), Thai Institute of Directors Association
- A.C.A Certificate, American Accreditation Council for Accountancy USA
- Corporate Governance for Capital Market Intermediaries, Thai Institute of Directors Association (12/2016)

Remarks:

- * Number of shares held and percent shareholding as of 30 December 2020 of the total of 4,771,815,496 shares.



KIRATI ASSAKUL

Position: Independent Director
Nationality: Thai
Age: 63 years (born on 20 June 1958)

Education:

- Bachelor's Degree (Chemical Engineering), University of Southern California, USA
- Master of Chemical Engineering, Queen's University, Canada

Positions in other listed companies:

- 1993 - 2016 Chairman of the Boards, Ocean Glass PCL. (Including 2 Companies)
- 2016 - Present Director, Ocean Glass PCL. (Including 2 Companies)

Positions in other organizations:

- 1984 - Present Chairman, Ocean Life Insurance Co., Ltd.
 - 1988 - Present Director, Service Leasing Co., Ltd.
 - 1992 - Present Director, Ocean Holding Co., Ltd.
 - 1994 - Present Director, Krati Home Co., Ltd.
 - 1996 - Present Director, Ocean Group (Thailand) Co., Ltd.
 - 1998 - Present Director, Kris & Sumali Co., Ltd.
 - 2002 - Present Director, Great Field Co., Ltd.
 - 2010 - Present Director, Sam Estate Co., Ltd.
 - 2013 - Present Director, Ocean Property Co., Ltd.
 - 2013 - Present Director, Ocean Marina Co., Ltd.
- Shareholdings:**
103,248 shares*, equivalent to 0.00 of paid-up capital
- Personal - none shares
 - Spouse: 103,248 shares
 - Children not yet of legal age: -none- shares

Starting date:

22 March 2010

No. of years in position:

11 years

Position in other organizations that have conflicts to the Company: None

Training/ Seminar Course related to Directorship:

- Directors Certification Program organized (DCP 27/2003), Thai Institute of Directors Association
- The Role of Compensation Committee organized (RCC 5/2007), Thai Institute of Directors Association

Remarks:

- * Number of shares held and percent shareholding as of 30 December 2020 of the total of 4,771,815,496 shares.

NART LIUCHAREON

Position: Independent Director
Nationality: Thai
Age: 62 years (born on 25 May 1959)

Education:

- Bachelor's Degree in Engineering (Computer), Chulalongkorn University
- Master of Science in Business Administration, University of Southern California, USA
- Master of Business Administration, University of Southern California, USA

Shareholdings:

- none- shares*, equivalent to -
- Personal- -none- shares
- Spouse- -none- shares
- Children not yet of legal age: -none- shares

Starting date:

3 April 2015

No. of years in position:

6 years

Positions in other listed companies:

-none-

Remarks:

- * Number of shares held and % shareholding as of 30 December 2020 of the total of 4,771,815,496 shares.

Audit Committee and Sub-Committees

Audit Committee

Audit Committee consists of independent directors as follows:



SAKDI KIEWKARNKHA
Chairman of Audit Committee



THAMNOON ANANTHOTHAI
Audit Committee



NART LIUCHAREON
Audit Committee

Sub-Committees

Nomination and Remuneration Committee

Thamnoon Ananthothai	Chairman of Nomination and Remuneration Committee
Sakdi Kiewkarnkha	Member of Nomination and Remuneration Committee

Risk Management Committee

Kirati Assakul	Chairman of Risk Management Committee
Sakdi Kiewkarnkha	Member of Risk Management Committee
Thamnoon Ananthothai	Member of Risk Management Committee
Thiraphong Chansiri	Member of Risk Management Committee
Joerg Aytle	Member of Risk Management Committee
Shue Chung Chan	Member of Risk Management Committee
Darian McBain	Member of Risk Management Committee
Patrick Bertalanffy	Member of Risk Management Committee



Remuneration for Directors and Management

Remuneration for Directors

Directors are remunerated in the form of a monthly retainer, meeting allowance, and director's bonus comparable in average to the general practice in the industry suitable for the scope and amount of assigned responsibilities, and with shareholders' approval. Aside from the preceding meeting allowance, directors are not additionally remunerated from the Company's subsidiaries.

Executive directors are remunerated in the form of a monthly retainer, meeting allowance, salary, provident fund matching contribution and annual bonus based mainly on the operational performance of the Company and work performance of each director.

Aside from the preceding monetary remuneration, there is health insurance coverage up to 700,000 baht (for directors who 70-years or younger and resident in Thailand only).

Name of Director	2020 AGM	2020 Board Meeting	Monthly Retainer (Y 2020)	Meeting Allowance (Y 2020)	Sub-committee's Remuneration	Director's Bonus
1. Krasorn Chareisi	Attend	7/7	600,000	210,000	-	1,725,194
2. Cheng Nualniran	Attend	7/7	300,000	105,000	-	862,597
3. Thiraphong Chansiri	Attend	6/7	300,000	90,000	80,000	1,332,597
4. Chuan Tangthonsiri	Attend	7/7	300,000	105,000	-	862,597
5. Rittirong Boonmeechale	Attend	7/7	300,000	105,000	-	862,597
6. Sue Chung Chan	Attend	7/7	300,000	105,000	80,000	1,347,597
7. Nario Sangsua	Absent	2/7	300,000	30,000	-	862,597
8. Ravinder Singh Grewal Sarjit S	Absent	7/7	300,000	105,000	-	862,597
9. Sakdi Kiewzarnika	Attend	7/7	300,000	105,000	840,000	862,597
10. Tharnnoon Ananthodhai	Absent	6/7	300,000	90,000	660,000	862,597
11. Kirati Assakul	Attend	7/7	300,000	105,000	240,000	862,597
12. Nat Luchareon	Attend	7/7	300,000	105,000	300,000	862,597
	75%	92%	3,900,000	1,260,000	2,200,000	11,213,761
						18,573,761

Remark:

No. 7 and No. 8 are not resident in Thailand and were not able to travel due to the COVID-19 situation

No. 10 He had the mission of being a speaker for IOD

Nomination and Remuneration Committee's opinion. The total amount of annual remuneration paid to the Board of Directors was not high when compared to the average amount paid by other listed companies on The Stock Exchange of Thailand, due to the Company's attention to the best interests of shareholders.

The remuneration paid to the Board members in 2020 in comparison with its counterparts in 2019 is set forth below:

Unit: THB Million		Directors Remunerat
Number (Person)	12	12
Monthly Retainer/ Meeting Allowance	7.17	7.36
Director's Bonus	9.54	11.21
Total	16.71	18

Remuneration for Management

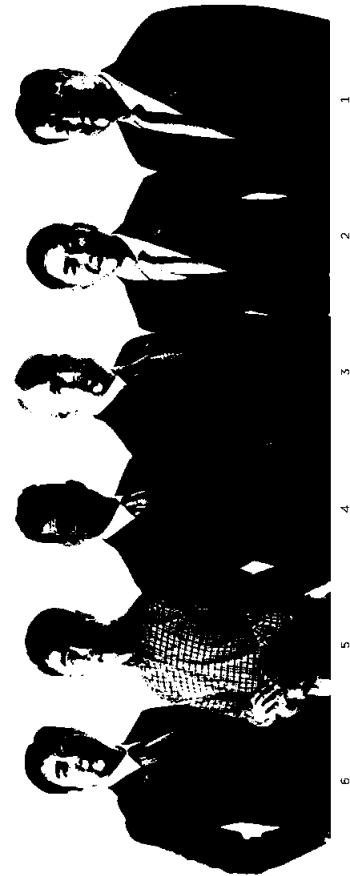
The management team is remunerated in the form of salary, provident fund matching contribution and annual bonus based mainly on the operational performance of the Company and work performance of each management member. Overall compensation will be in line with the industry. The rate of bonus payments for the targeted achievement for both employee and Company, the Executives will receive the bonus money at the rate of 25 - 30 percent of annual salary.

The remuneration paid to the Board and management members in 2020 in comparison with its counterparts in 2019 is set forth below:

Unit: THB Million		Management's Remunerat
Number (Person)	9	9
Salary/ Annual Bonus	131.18	133.79
Provident Fund Matching Contribution	3.76	4.16
Total	134.94	137



Global Leadership Team



1. CHENG NIRUTTINANON	Executive Chairman
2. RITTIRONG BOONMECHOTE	President of Global Frozen and Related Business
3. PAUL REENAN	Regional President, Thai Union Europe
4. BRYAN ROSENBERG	President and CEO, Thai Union North America
5. ROY CHAN	Managing Director, Thai Union Manufacturing Head Office
6. SHUE CHUNG CHAN	Group Director, Corporate Office



7. THIRAPHONG CHANSIRI	President and CEO
8. LUDOVIC GARNIER	Group Chief Financial Officer
9. TUNYAWAT KASEMSUWAN	Group Director, Global Innovation
10. DARIAN MCBAIN	Group Director, Sustainability
11. KULSHAAN SINGH	Group Director, Human Resources
12. PATRICK BERTALANFFY	Group Director, Strategy



Management Team

Commercial Leadership



PICHITJAI WONGPIYA
President,
Global PetCare BU



PREERASAK BOONMECHOTE
MD,
BU Shrimp



LEONARDUS COOLEN
MD,
Thai Union Ingredients

Enabling Business Success



NAKORN NIRUTTINANON
MD,
Thai Union
Manufacturing Co., Ltd.



CHAIWAT CHAROENRUTTANONT
MD,
Songda Canning PCL
& Yuah Chiyang
Canned Food Co., Ltd.



SUTHIDEJ AMORNKASEHWONG
MD,
BU Fish



YONGYUT SETTHAWIT
MD,
Treasury and Finance
Shared Services



KEVIN BIXLER
Group Director,
Fish Procurement



SCOTT SOLAR
Group Director,
Food Service



SUWANNEE SRITHONYACHOTE
MD,
Supplements Business



SARAN RATTANASUNGRUENGCHAI
GM,
Emerging Market



DAVID SANKOWICZ
Group Director,
Legal And Compliance



RAJIV KAKAR
Group Director,
IT



PETER GALLI
Group Director,
Corporate
Communications



RAPEEONG LIMWONGTHONG
AGM, Legal,
Compliance and
International Tax



SETAKUL CHOTCHOEY
Group Director (Acting),
Safety, Health and
Environment

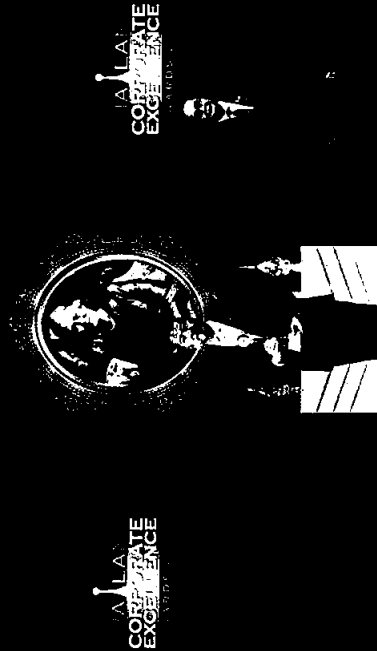
Thai Union North America

BRYAN ROSENBERG	President & CEO, TU North America
RUNGTIWA SNIDER	Chief Financial Officer, TU North America
DAN GOLDSTONE	SVP, HR and Corporate Affairs, TU North America
JENNY WANG	VP, Legal and Risk Management, TU North America
BRENDEN BECK	SVP, Sales and Marketing, TU North America
DANIEL HALFORD	SVP, Operations/ Supply Chain and QA, TU North America
MICK WAIN	SVP, Sales and Business Development, TU North America
MATT SCALESE	VP, Supply Chain, TU North America
ANDREW THOMAS	VP, Marketing, TU North America

Thai Union Europe

PAUL REENAN	Regional President, TU Europe
SVEN MASSEN	Operating Director, TU Europe
PIERRE DE MOUY	HR Director, TU Europe
STEPHANE RE	Chief Financial Officer, TU Europe
DAVID SANKOWICZ	Group Director, Legal and Compliance

2020 Awards and Recognitions



Corporate

- 1. Innovation Excellence Award at the Thailand Corporate Excellence Awards 2020**
Thal Union received the Innovation Excellence Award at the Thailand Corporate Excellence Awards 2020 hosted by the Thailand Management Association (TMAA) for its outstanding industry innovation and technology. The award is given to companies that optimize their business models to take advantage of technological advancement, resulting in operational resilience and new growth engines.
- 2. Treasury Team of the Year Award in the Thailand Category at the Treasury, Trade, SSC and Risk Management Awards 2020 by The Asset Triple A**
Thal Union was recognized for its global treasury center in Thailand and focus on increasing automation.

- 3. 2020 APAC Employee Experience Best Practice Award at the 2020 Talent Management Best Practice Awards**
Thal Union was presented with the prestigious 2020 APAC Employee Experience Best Practice Award for the incredible result in transforming its workplace by implementing transformational talent management solutions and result-driven changes.
- 4. Most Active Employer Branding Award at the LinkedIn Awards 2020**
The award recognized Thal Union for producing engaging visual content and having a significant increase in fan growth on LinkedIn.

Executives

- 5. Multiple awards in the Thailand category at the 10th Asian Excellence Awards by Corporate Governance Asia:**
 - Asia's Best CEO, Thiraphong Chansiri, President and CEO
 - Asia's Best CFO, Joerg Ayrle, Group Chief Financial Officer

The awards recognized companies with strong management acumen, financial performance, corporate social responsibility, environmental practices and investor relations.

- 6. Multiple awards in the IntraFish Seafood Power 100:**
 - No. 1, Thiraphong Chansiri, President and CEO
 - No. 46, Darian McBain, Group Director, Sustainability

The IntraFish Seafood Power 100 ranked the most influential executives in the global seafood industry.

- 7. Most Creative People in Business for 2020 by Fast Company**
 - Darian McBain, Group Director, Sustainability

Investor Relations

- 8. Outstanding Investor Relations Award at the SET Awards 2020 by The Stock Exchange of Thailand (SET)**

Thal Union was recognized in the category of listed companies with market capitalization of between THB 30 billion - THB 100 billion, for its outstanding performance in engaging with investor relations activities.

- 9. Multiple awards in the Thailand Category at the 10th Asian Excellence Awards by Corporate Governance Asia:**
 - Best Investor Relations Company
 - Best Investor Relations Professional: Bunlung Waiyanont, Assistant General Manager – Investor Relations

The awards recognized companies with strong management acumen, financial performance, corporate social responsibility, environmental practices and investor relations.

- 10. Shortlisted as a finalist in multiple categories at the IR Magazine Awards – South East Asia 2020 by IR Magazine:**
 - Best in sector: Consumer staples
 - Best Investor event

IR Magazine is a renowned media publication originally launched by The Economist Group. Its awards have been the definitive hallmark of IR excellence and best practice for over 20 years.



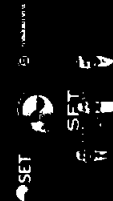
Sustainability

11. Rated No. 2 Company in the World in the Food Products Industry Index of the Dow Jones Sustainability Indices (DJSI)

Thal Union achieved a 99th percentile ranking for total sustainability score while it received a 100th percentile score in Materiality, Risk and Crisis Management, Codes of Business Conduct, Supply Chain Management, Innovation Management, Health and Nutrition, Environmental Reporting, Water Related Risks, Social Reporting and Human Rights, driven by Thal Union's global sustainability strategy, SeaChange®. This marked the seventh consecutive year Thal Union has been named to the DJSI, after ranking number one in the Food Products Industry Index in 2018 and 2019.

12. Inclusion in the Thailand Sustainability Investment Index (THSI) by The Stock Exchange of Thailand (SET)

The Stock Exchange of Thailand (SET) presented Thal Union with the award in the category of Thai-listed companies with market capitalization of THB 30 billion - THB 100 billion in recognition of good corporate governance and ESG practices.



13. Inclusion in the FTSE4Good Emerging Index for the fifth consecutive year

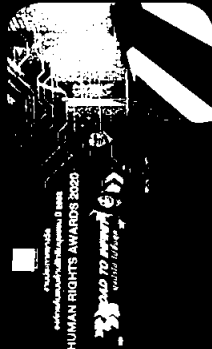
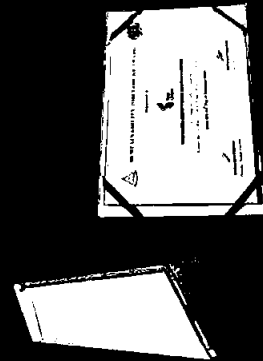
The FTSE4Good Emerging Index, which is an extension of the FTSE4Good Index Series, helps investors integrate environmental, social and governance (ESG) factors into their investment decisions and serves as a framework for corporate engagement and stewardship. The indices are used as a basis for tracker funds, structured products and as a performance benchmark. The FTSE4Good Emerging Index was launched in December 2016 and covers more than 20 emerging nations.

14. Asia's Best CSR (Thailand) at the 10th Asian Excellence Awards by Corporate Governance Asia

The award recognized companies with strong management acumen, financial performance, corporate social responsibility, environmental practices and investor relations.

15. SDG Impact Award at the Responsible Business Awards 2020

Thal Union was recognized for its global initiatives to deliver against the United Nations Sustainable Development Goals (UN SDGs). The Company received the SDG Impact Award for also setting industry-leading standards and implementing programs that are best aligned to impact the SDGs. The Responsible Business Awards celebrate leadership in sustainable business and recognize companies whose actions are having a positive impact on business, society and the environment.



16. Human Rights Award 2020 by the Rights and Liberties Protection Department of the Thai Ministry of Justice

Thal Union was recognized in the private sector category as a role model organization for its best practices on human rights to ensure protections for all workers across the Company and through its supply chains. Thal Union subsidiaries, Pakfroid and Okeanos Food, received Honorable Mentions.

The Human Rights Award is awarded annually to highlight work being done on human rights by the public sector, state enterprises and the private sector, including non-profit organizations (NGOs), in Thailand, for sustainable growth and long-term competitiveness.

17. Sustainability Disclosure Award 2020 by ThaiPat Institute and Thailand's Securities & Exchange Commission (SEC)

The ThaiPat Institute and SEC introduced their sustainability awards to encourage Thai businesses to disclose data in accordance with the Global Reporting Initiative (GRI), which has the most widely adopted global standards for sustainability reporting. The awards also help promote the United Nations Sustainable Development Goal 12.6, which encourages companies to adopt sustainable practices and integrate sustainability information into their reporting cycle. The Sustainability Disclosure Award was determined by the completeness, credibility and communication of the nominees' sustainability reporting.

18. Marine Stewardship Council's (MSC) 2020 UK Canned Brand of the Year Award: JOHN WEST

Thal Union's JOHN WEST brand was named winner of the Marine Stewardship Council's (MSC) 2020 UK Canned Brand of the Year Award for the fourth consecutive year. The annual MSC awards celebrate those safeguarding seafood supplies for current and future generations.

19. CSR-DIW Award 2020 by the Department of Industry Works, Ministry of Industry

Thal Union and subsidiaries, Okeanos and Pakfroid, were presented the award in the category of standard corporate social responsibility and sustainable development. The CSR-DIW AWARD 2020 recognizes industrial business operators who are committed to corporate social responsibility and sustainable development, as well as supporting people and local communities while driving sustainability forward.

20. Moral Business Forum Award at the Moral Business Forum 2020 by Moral Promotion Center and Volunteering Heart Foundation

• A Thal Union subsidiary, Songkhla Canning, received the Moral Business Forum Award.

The award recognized 50 organizations with good corporate governance and moral conduct for sustainable development in the private sector in Thailand.

Innovation

21. Best Brotherhood of the Year Award at the Prime Minister Award: National Startup 2020

Thal Union was presented the award at the STARTUP THAILAND x INNOVATION THAILAND EXPO 2020. The award recognizes organizations that support startups in Thailand and promote an ecosystem towards becoming world-class, global companies.



Innovation at Thai Union

Year 2020 was a year full of action and excitement for new developments in innovation. Unified under the corporate goal of "Healthy Living, Healthy Oceans", we have focused our research and development on health and wellbeing, value creation, alternative proteins, supplements and medical foods. As always, innovation also contributes to strengthen the growth and profitability of our core businesses and processing operations.

Our team of researchers work in close collaboration with internal marketing, external collaborators via our Open Innovation network, and end-customers, to develop innovative products that address new global trends. The main areas of research include Alternative Proteins, Marine-derived ingredients, Supplements/ Medical foods, which are an expression of new consumer needs and demands.

Alternative Proteins

Thai Union enters the alternative protein space as a strategic complement to our core seafood business. Alternative

protein technology and applications span a wide space that are in varying stages of readiness. We have focused our internal efforts on plant-based proteins, such as alternative seafood and meats, while exploring emerging areas (insect proteins, lab-grown meats, etc.) through collaboration and/or investments in startups.

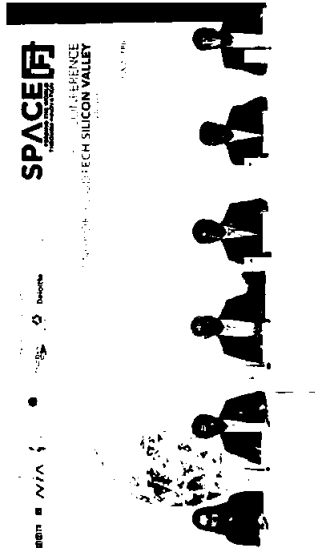
Several products were developed and launched in 2020, such as plant-based tuna, plant-based nuggets, plant-based burger patties, plant-based crab cake and Chinese dim-sum.

There is an increasing global demand for sustainable proteins, and alternative protein products are deemed vital to meet the growing needs. Thai Union is poised to be at the innovation forefront in this area, which will have an impact across core business units including human food, feed, pet food, and ingredients. Alternative protein strengthens our sustainability vision in lowering environmental impacts. Apart from our internal innovation, Thai Union has invested in several alternative protein startups. One example is Flying Spark, who use fruit fly larvae to produce high quality protein powder with nearly zero waste.



Plant-Based Seafood

First plant-based seafood product launched in Thailand



SPACE-F

As part of our open innovation activities, Thai Union successfully launched SPACE-F, the first global food-tech startup incubator and accelerator in Thailand. SPACE-F acts as a central platform to gather resources from corporates, venture capitalists, corporate venture capitalists, universities and government to develop and promote deep-tech and innovative food-tech startups with speed and effectiveness. It was established through cooperation between Thai Union, the National Innovation Agency, and Mahidol University's Faculty of Science.

SPACE-F, Batch 1 startups have successfully graduated and have been able to scale their technologies, gain further traction and investments. The initial 23 startups comprised of 12 incubator and 11 Accelerator teams covering sectors such as Health and Wellness, Alternative Proteins, Smart Manufacturing, Novel Foods and Ingredients, Restaurant Tech, Biomaterials and Chemicals, Food safety and Quality and Smart Food Services. The first Accelerator batch graduated with seven startups pitching at the Accelerator Demo Day on 5 March 2020 and seven Batch 1 Incubator

startups graduated on 8 September 2020. Many of the SPACE-F startups in both programs have attracted the attention of investors and various media outlets.

From the Batch 1 SPACE-F startups, Thai Union announced investments in Alchemy Foodtech Pte. Ltd., Manna Foods Co. and HydroNeo GmbH, who focus on functional nutrition, insect protein, and aquaculture value chain technology, respectively.

On 3 July 2020, SPACE-F welcomed ThaiBev (one of the largest beverage companies and restaurant operators in ASEAN) as a corporate partner and Betagro (one of the region's largest animal feed and animal product companies) and Deloitte (the largest professional services network in the world, with deep expertise in the food industry) as a supporting partner. They provide support and mentorship to the startups.

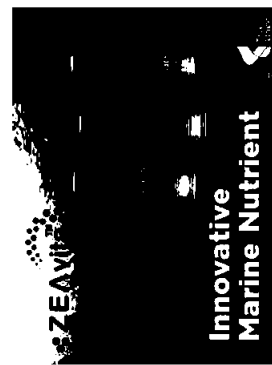
November 2020 saw the successful launch of SPACE-F Batch 2, with ten incubator and nine accelerator teams. The program continues to have a global reach, with startups from the U.S., Singapore, Hong Kong, India and Thailand.

Supplements

A major goal for Thai Union is to deploy innovation to maximize the utilization and value of tuna and other seafood resources. Towards that end, Thai Union's Global Innovation Center (GIC) research is focused on building ingredient product offerings centered on high nutrition capabilities, such as omega-3, marine collagen, high protein sources, marine calcium and bioactive peptides which responds to consumer needs and lifestyles. One example is the established Thai Union Ingredients business, targeting B2B customers.

To expand the opportunities related to marine ingredients and innovative applications of marine nutrients, the brand ZEA Vita was created in 2020. Several products have been formulated and launched in the regional market, including:

Tuna Bone, a good source of calcium which comes from 100 percent natural tuna bone. Tuna oil, high quality omega-3 oil naturally high in DHA, Active Di-peptide Collagen and ZEA Aessen boost, a source of peptides and vitamins such as selenium, vitamin B3 (niacin), vitamin B12, vitamin B6, and protein. Nutrients from tuna are fused with passion fruit in a ready to drink format that provides a convenient boost for enhancing the quality of sleep. It is a tasty product delivering marine nutrition with no-fishy effect.



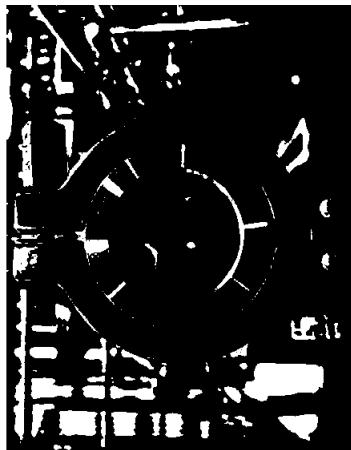
Protein Extracting & Processing Plant

Our Global Innovation Center (GIC) was set up to create value across its value chain and to develop products with higher margins. Thai Union will invest USD 26 million into a new factory in Thailand for co-product processing that translates GIC research into protein hydrolysates and collagen peptide ingredient offerings. These protein hydrolysates and collagen peptides can be adapted across a vast application space, including medicine, pet foods, dairy products, and sports nutrition with multiple potential health benefits. They also provide the foundation for further research into bio-active peptide offerings with targeted functional benefits.

The traditional tuna canning process uses around 40 percent of the whole fish. The recent addition of a tuna oil factory to our production increases utilization of whole tuna up to 45 percent. However, there is still room to increase co-product valorization. With the addition of a protein processing factory, the net utilization of whole tuna is expected to reach 51 percent during the first phase of implementation, with potential to reach 90 percent utilization of the whole fish.

The new protein plant will provide the foundation for further development of bio-active peptides from protein hydrolysates and collagen peptides. Bio-active peptides are a form of advanced ingredients that naturally deliver targeted functional health benefits that can be applied in specialized medical foods, enhancing the potential for claims in functional food applications, or for use in high valued supplements.

Thai Union Ingredients



In 2017, to meet a growing market demand for natural, seafood-derived ingredients for human nutrition, Thai Union invested in a global business unit focusing on producing and selling ingredients produced from fish processing co-products. Thai Union Ingredients (TUI) commercializes innovations identified by Thai Union's cutting-edge Global Innovation Center, while creating a sustainable future for the tuna industry by maximizing the valorization of the whole fish processed by Thai Union.

TUI started its business with a tuna oil extraction plant in Samut Sakhon in Thailand, close to Thai Union's main tuna processing plants, which allows the extraction plant to have fresh raw material supplied straight from the factories. With fresh raw material passing through a low temperature extraction process, its natural functionality is preserved to get the highest quality tuna crude oil, containing the highest DHA content available in the market. DHA is a critical component for infant brain development and human health in general. This high-quality crude oil will be refined in TUI's refinery plant in Germany.

In January 2021, TUI started up its tuna oil refinery in Rostock, Germany, thereby completing its end-to-end tuna oil supply chain and allowing the Company to produce its tuna oil product range under the UniQ™DHA brand. This factory will not only refine Thai Union's tuna oil, it will also refine other omega-3 oils, and supply these refined oils to manufacturers of nutrient-dense products including infant formula, dietary supplements, clinical nutrition, and functional foods.

In January 2021, TUI also opened its new bone powder production facility at Songkha Canning Ltd. in southern Thailand. The product was launched under the UniQ™BONE brand. This new product is produced by micronizing fresh

tuna bone into a fine, off-white powder with a neutral taste and smell. UniQ™BONE contains calcium and phosphorus in a ratio of 2:1, in its natural hydroxyapatite form – the same structure that is also present in human bones and teeth. It also contains typically 17 percent naturally occurring collagen. With its very fine particle size, UniQ™BONE can be incorporated in products without changing sensory attributes and mouthfeel, delivering a range of nutrients for bone health. It is selected from fresh, food-grade raw material and produced without adding any additives, using a gentle manufacturing process to retain all-natural nutrients. UniQ™BONE can be easily used for various types of food, capsules, tablets and as an additive for pet food and pet nutrition.

TUI will continue its focus on valorizing all parts of fish into nutritional marine based ingredients. UniQ™DHA and UniQ™BONE are TUI's first steps, with ongoing projects to explore opportunities to expand the product portfolio with functional proteins.

By valorizing the full potential of fish, TUI aims to contribute to Thai Union's "Healthy Living, Healthy Oceans" strategy, with fully traceable products, starting with sustainable sourcing, preserving its natural functionality through gentle manufacturing processes and supplying these ingredients to customers who process it into a wide range of healthy consumer products.

Quality and Food Safety

Thai Union Quality Policy

Our actions to ensure food quality and safety are guided by the Company's quality policy.

Thai Union is dedicated to manufacturing high-quality processed seafood that is safe, wholesome, and achieves excellent customer satisfaction. We continuously work to advance our products in these areas.

Our assurance is that our products comply with that policy and also meet all external regulatory requirements on safety and quality.

Quality Management System: Food Safety and Hygiene

Our Quality Management System is the platform that we use globally to ensure consistent food safety, compliance with quality standards and to create value for consumers. Our internal Quality Management System is audited and verified by independent certification bodies to prove conformity to internal standards, international standards, and applicable laws and regulatory requirements. The Quality Management System begins with the control of processes for externally provided materials. We work with our suppliers to help them improve the quality of their products. The system reflects key global food safety demands and addresses quality, integrity, environmental and social issues.

Thai Union's appreciation of the demands of consumers regarding quality and safety means we work with suppliers to help them create a quality product that can be delivered to market with little or no alteration.



Our Commitment to Consumers
Product Quality and Safety for Our Consumers is Thai Union's Top Priority, Forming The Foundation of All We Do.

To ensure the safety, quality and integrity of products through every stage of the supply chain, Thai Union regularly sends its representatives to conduct on-site audits, scrutinizing production line practices and standards. Our oversight of supplier standards involves the delivery of regular reports, as well as audits upon request or at specified times throughout the term of the contract. These risk management and auditing tools greatly increase the likelihood of suppliers meeting Thai Union's standards and initiatives on food safety.

The Company operates its own food testing laboratory with ISO/IEC 17025 accredited by Department of Medical Science, Ministry of Public Health, Thailand. The laboratory was awarded as the most outstanding laboratory in year 2010 by the Ministry of Agriculture and Cooperatives' National Bureau of Agricultural Commodity and Food Standards.

We continuously strive for excellence in food safety, food integrity, environmental protection, and energy management system which are reflected in numerous national and international accreditations including: GMP, HACCP, BRC, ISO 9001: Quality Management System, ISO 14001: Environmental Management System, OH-SAS 18001: Occupational Health and Safety Management System, Kosher, Halal, and Best Aquaculture Practices (BAP).

Our products include information for consumers to ensure that they are consumed safely. The products meet the highest level of quality as we implemented a Combating Food Fraud and Food Defense Strategy to protect our food supply chains from any risk of intentional and unintentional contaminations.

- Certified ISO 9001: Quality Management System by the SAI Global.
- Certified ISO 14001: Environmental Management System by SGS.
- Certified with TIS 18001: Occupational Health and Safety Management System by SGS.
- Accredited with ISO/IEC 17025: Testing and Calibration Laboratory by Department of Medical Sciences, Ministry of Public Health and by the National Bureau of Agricultural Commodity and Food Standards (ACFS), Ministry of Agriculture and Cooperatives, Thailand.
- Certified with BRC Global Standard for Food Safety by SAI Global.
- Certified MSC Chain of Custody from Marine Stewardship Council by SGS.
- Certified Best Aquaculture Practices (BAP) by NSF.
- Complied with U.S. Food and Drug Administration (FDA) requirements, audited by USDA agency in charge of inspecting the quality of imported food.
- Complied with the Canadian Food Inspection Agency (CFIA), a Canadian agency in charge of monitoring quality of imported food.
- Certified Good Manufacturing Practices (GMP) for food manufacturing operations by the Department of Fisheries and Department of Livestock Development, Ministry of Agriculture and Cooperatives, Thailand.
- Certified Hazard Analysis Critical Control Points (HACCP) by the Department of Fisheries, Ministry of Agriculture and Cooperatives, Thailand.
- Certified with Halal standard by the Central Islamic Committee of Thailand.
- Certified with Kosher Certificate by the Union of Orthodox Jewish Congregations of America for tuna and sardine plants.

Safety, Occupational Health and Environment

COVID-19 Prevention

Thai Union's top priority is ensuring the ongoing health, safety and wellbeing of all employees, partners, suppliers, customers and local communities. Like almost all companies, Thai Union has been affected by the COVID-19 outbreak. However, we are taking every step possible to safeguard our employees, supply chain and customers, and to mitigate the impact on our operations.

We have implemented comprehensive measures to prevent infections inside the factory. These include social distancing, wearing of personal protective equipment (PPE) as well as workforce clustering. Therefore, should there be a case in the factory, the number of impacted employees is minimized. Should a case be detected, we have protocols in place to immediately launch contact tracing, quarantine close contact employees, isolate the area, and conduct a thorough sanitization. We also have conducted safety and cleaning drills in all factories to ensure our readiness. Our drills suggest that it takes one day for the process from contact tracing to the completion of sanitization.

Safety and Occupational Health

Thai Union's number one priority is building a safe workplace to reduce the risks of injuries and fatalities. In 2020, we exceeded the Lost Time Injury Frequency Rate (LTIFR) targets we set for 2020, reducing LTIFR by 49 percent compared to our 2016 performance and no employee fatalities in 2020. We also maintained our occupational illness frequency rate for employees at zero.

Despite our work on enforcing Safety, Health, and Environmental policies, on 21 May 2020, there was a fire at Thai Union Canada in Val Comeau, Canada. The plant was in operation at the time of the fire. Evacuation was safely conducted and there were no injuries reported.

In addition to injury and illness prevention, a key focus of 2020 was to reduce fire risk at our factories. We began with an assessment of fire and life safety at all our manufacturing facilities in order to identify the gaps and needed risk mitigations at both corporate level and site level. This included the development of an investment plan as well as strengthening our internal operation controls, e.g. minimum requirements of our building materials, investment plan for fire protection system, incident management.



Environmental Protection

Thai Union is committed to protecting the environment by minimizing our consumption of natural resources, reducing adverse impacts on the environment. In 2020, we exceeded our 2020 intensity targets for water consumption reduction and waste to landfill reduction. We have reduced our intensity of water withdrawal and waste disposed to landfill by 26 percent and 69 percent respectively, compared with 2016 levels.

We are making progress towards our greenhouse gas intensity reduction target. In 2020, we reduced our greenhouse gas intensity emissions by 28 percent.

Environmental initiatives in 2020 placed a strong focus on energy consumption reductions as well as on renewable energy. Key initiatives included:

- Increasing the energy efficiency of steam production at the end-to-end process, starting from sourcing high-quality coal and using a big bag to reduce moisture, improving our steam pipeline by installing an insulator and reducing the pipe size, using RO water, PRV to reduce steam pressure and optimizing steam usage in steam cookers and reborts.
- Reducing electricity consumption in the refrigeration system through improving energy management in cold storage, installing inverter compressor fans and, providing anti room and high-speed shutter doors. In 2020, Thai Union joined EPI00, a Climate Group initiative, which supported us for refrigerant management audit and recommendations.
- Renewable Energy-Our Sun Seeker Project to install solar rooftops in our factories continued in 2020. Since 2017, we have achieved a total solar capacity of 8.3 MW, producing 14,606,460 kWh. This has resulted in a greenhouse gas reduction of approximately 7,595 tons CO₂ equivalent. The Sun Seeker Project will be continued in 2021.

Our Business

Our Core Product Categories

“Food has become a key part of health and wellbeing. It’s not just about getting enough calories: it’s about food’s impact on how we feel, look and stay healthy in the long term.”

As we take Thai Union into the coming decade, we’re ready to commit to “Healthy Living, Healthy Oceans”.

Ambient Seafood



The ambient seafood category is mainly composed of shelf-stable items that are primarily sold to consumers through retail channels and occasionally wholesalers. The key seafood species include tuna, sardine, salmon, mackerel and herring. The business dynamics and margin trends of these items share some similarities. There is a higher brand awareness from consumers towards these types of items. Consumer brands in this category generally command a price premium over their private label peers thanks to consumer preference or brand loyalty. The degree of the price premium will depend on the market position of the brand, the competitive nature of the product category, uniqueness of the brand’s offerings and consumers’ emotional attachment towards the brand.

In 2020, sales of this category amounted to THB 62.7 billion, representing 47 percent of the Group’s total sales and were led by the tuna products, which remain the largest product category for Thai Union Group. About 57 percent of these sales came from our own brands, while private label or contract manufacturing sales and food service sales accounted for the balance. Key customers in this category are supermarket chains, discount stores, club stores, convenient and drug stores, and other modern trade outlets. The most typical packaging is a can format. Most products are of ready-to-eat type.

Frozen and Chilled Seafood and Related Business



The frozen and chilled seafood and related business category is mainly composed of seafood items that are normally sold directly to restaurants, hotels, and food catering units as ingredients for further processing (cooking) at kitchens where they are prepared into dishes for final consumption. However, these items are also sold through retail channels to consumers. The products generally need to be refrigerated all the time to maintain their shelf-life. Since aquafeed (for shrimp and fish) is part of the supply chain of the shrimp business, it is also included in this category as a related business.

In 2020, sales of this category amounted to THB 49.6 billion, representing 38 percent of the Group's total. Shrimp is the most important species in this category, followed by lobster and salmon. Sales from our own brands (including industrial or non-consumer brands) accounted for about 37 percent of this category with the balance from private label and food service orders. Most products are not immediately ready for consumption by final consumers. The typical shelf life of these items is much shorter than that of ambient seafood, ranging from a few days to a year.

In May 2020, there was a fire at Thai Union Canada's Chez Nous lobster processing plant in Tracadie-Shell, New Brunswick, Canada. However, Thai Union continues to support our lobster business in the U.S., with production continuing at another of our plants in North America.

PetCare, Value-Added and Other Business



The PetCare, value-added and other business category is a mix of many different items that include PetCare, seafood and non-seafood as well as sub-materials, packaging and sales of scrap. Examples of these items are swim-based fish snacks, wet seafood-based dog foods, dog food, microwave oven ready meals, Chinese-style dim sum, packaged cooking sauce, scrap from fish and shrimp processing lines (to be further processed for fish meal and fish oil), bakery products (namely, pies, soft cake and butter bread), empty cans for ambient seafood, printing service for can labels and other purposes, etc. Due to the great diversity of this category, there is no common pattern demonstrated among these items in terms of sourcing, distribution and consumption.

To meet a growing demand for natural, seafood-derived by-products that are beneficial to human nutrition (e.g. marine omega-3 fatty acids), we continued to invest in our global business unit focusing on ingredients, which was set up in 2017.

In January 2021, Thai Union Ingredients started up its tuna oil refinery in Rostock, Germany. With this plant, Thai Union became the only refiner of high-grade tuna oil with complete end-to-end supply chain and production management.

Thai Union Ingredients will commercialize an exciting new B2B line of high-value ingredients identified by Thai Union's cutting-edge Global Innovation Center. We will control the entire production chain, working with high-quality by-products, such as fish skin and fish bone, from our own seafood production facilities. The valuable nutrients derived from these by-products will be used by manufacturers of nutrient-dense consumer goods such as infant formula, cosmetics, dietary supplements and clinical nutrition.

Our Thai Union Ingredients venture maximizes by-products utilization in our processing facilities and is a key contributor to Thai Union's growth strategy.

In 2020, sales of this category amounted to THB 20.1 billion, representing 15 percent of the Group's total. PetCare contributed to the largest share. Sales from our own brands only accounted for about 6 percent of this category. In other words, almost all of the products are produced for our clients' own trademarks or distributed through their own channels. Despite a lack of any common pattern or characteristics between these items, they generally command higher margins due to the multiple production processes involved, customized features, and high product standards. There is no fixed format of packaging due to the variety of this category.



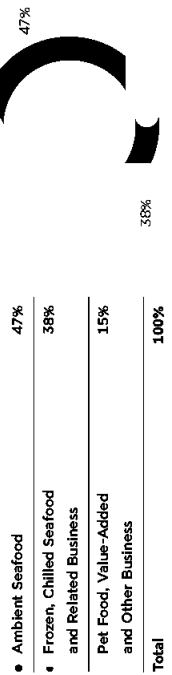
Sales Structure of Thai Union and Subsidiaries

Unit: THB Billion

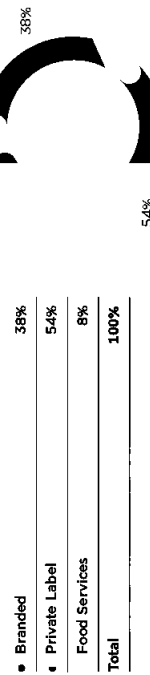
Companies and Groups of Companies		% Holding by TU	2020		2019		2
			Sales	%	Sales	%	
1. ASIA							
Thai Union Group PCL	TU	-	12.8	9.6	13.0	10.3	10.0
Thai Union Manufacturing Co., Ltd.	TUM	99.66	20.0	15.1	18.3	14.5	19.9
Songkla Canning PCL	SC	99.55	5.0	3.8	4.9	3.9	5.8
Asian-Pacific Can Co., Ltd.	APC	99.54*	1.1	0.8	0.8	0.6	0.7
Yueh Chyang Canned Food Co., Ltd.	YCC	99.55*	0.5	0.4	0.3	0.3	0.2
Thai Union Seafood Co., Ltd.	TUS	51.00	1.8	1.3	3.0	2.4	3.1
Pakfood PCL	PPC	99.74	4.8	3.6	4.8	3.8	4.5
EHS Training and Services Co., Ltd. (formerly known as "T Holding Co., Ltd.")	EHS	100.00	0.0	0.0	0.0	0.0	0.0
Thai Union Feedmill Co., Ltd.	TFM	66.90	4.1	3.1	4.8	3.8	4.4
Thai Union Graphic Co., Ltd.	TUG	98.00	0.1	0.1	0.1	0.1	0.1
Seafood International One FZCO	SIC1	60.00**	-	-	0.2	0.2	0.5
Thai Union Online Shop Co., Ltd.	TUO	100.00	0.1	0.0	0.0	0.0	0.0
Thai Union China Co., Ltd.	TUC	100.00	0.4	0.3	0.4	0.3	0.6
TMAC Company Limited	TMAC	100.00	0.1	0.1	0.1	0.1	-
Thai Union Ingredients Co., Ltd	TUI	100.00	0.3	0.2	0.1	0.1	-
Thaimachart Seafood Retail Co., Ltd.	TSR	65.00	0.7	0.5	0.1	0.1	-
Total Asia			51.7	39.0	50.9	40.3	39.9
2. EUROPE & AFRICA							
Thai Union Europe I Group	TUE1	100.00*	21.4	16.2	19.8	15.7	17.3
Thai Union Trading Europe B.V.	TUTE	100.00*	2.2	1.7	2.1	1.6	2.4
Meralliance Group	MA	100.00*	4.6	3.5	4.7	3.8	5.3
King Oscar Group	KO	100.00*	1.5	1.1	1.2	1.0	1.5
Thai Union Germany GmbH	TUGe	100.00*	5.0	3.7	4.6	3.7	4.6
Thai Union Canada Inc.	TUCA	100.00*	0.3	0.2	0.3	0.2	0.2
TUMD Group	TUMD	90.00*	0.2	0.1	-	-	-
Total Europe & Africa			35.1	26.5	32.8	26.0	27.8
3. U.S.							
Tri-Union Seafoods LLC	TRI-U	100.00*	14.6	11.0	11.2	8.9	11.7
Tri-Union Frozen Products Inc.	TUFP	100.00*	29.2	22.1	29.8	23.6	29.9
U.S. Pet Nutrition LLC	USPN	100.00*	1.8	1.4	1.5	1.2	1.4
Total U.S.			45.6	34.5	42.5	33.7	43.0
Grand Total			132.4	100.0	126.3	100.0	133.3

Remarks:
The above data refers to sales structure after exclusion of intercompany transactions.
* Owned by Subsidiaries of TU
** SIC1 was restructured to joint venture starting May 2019

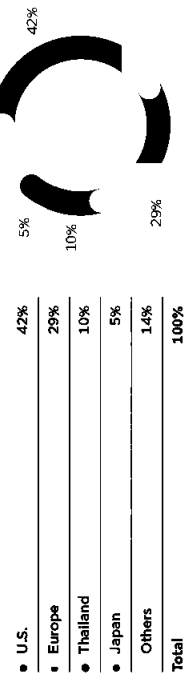
Sales Breakdown by Category



Sales Breakdown by Channel



Sales Breakdown by Market





Investment Promotion Act

Benefits from Receiving Promotional Privilege Certificates

Company/ Certificate No.	Location	Exemption from Corporate Income Tax Period	Promoted Activities and Production Capacities
		From	To
1. Thai Union Group Pcl.			
1.1 No. 2289(2)/2557 dated 10 October 2014	Samut Sakhon	01/08/2018	31/07/2026
Produce instant food products in sealed packages, frozen aqua animals and frozen convenience food, and frozen ready-to-eat products			
1.2 No. 1493(2)/2558 dated 10 April 2015	Samut Sakhon	02/08/2018	31/07/2026
Produce frozen aqua animals and frozen convenience food, freeze ready-to-eat products			
1.3 No. 59-0781-1-00-0-0 dated 16 June 2016	Samut Sakhon	Corporate income tax is not exempted	For promoted activity of "International Headquarters", which supervise at least one branch or associated enterprise outside Thailand with scope of activities as follows: 1.3.1 General management, business planning, and business coordination 1.3.2 Procurement of raw materials and parts 1.3.3 Financial management by Treasury Center: Certificate No. TC255801
2. Thai Union Manufacturing Co., Ltd.			
2.1 No. 1755(3)/2555 dated 19 June 2015	Samut Sakhon	03/08/2015	02/08/2023
Produce frozen instant or convenience food products			
2.2 No. 2578(2)/2555 dated 22 October 2012	Samut Sakhon	02/10/2017	01/10/2025
Produce instant food or convenience food in sealed packages, ready-to-eat food and animal food in sealed packages			
2.3 No. 2871(2)/2555 dated 14 December 2012	Samut Sakhon	06/09/2016	05/09/2024
Produce steamed fish sauce extract and purified fish oil			
2.4 No. 61-1315-1-00-1-0 dated 7 November 2015	Samut Sakhon	No income generated yet	Apply modern technology to produce food products or food preservation, beverage, food additive or food ingredient

Company/ Certificate No.	Location	Exemption from Corporate Income Tax Period	Promoted Activities and Production Capacities
		From	To
3. Songkla Canning Pcl.			
3.1 No. 58-2085-0-00-1-0 dated 24 August 2015	Songkhla	26/07/2019	25/07/2027
Produce instant and convenience food in sealed packages and animal food			
4. Thai Union Feedmill Co., Ltd.			
4.1 No. 1042(2)/2554 dated 11 January 2011	Songkhla	16/07/2016	15/07/2024
Animal product production			
4.2 No. 2259(2)/2555 dated 5 September 2012	Samut Sakhon	22/05/2014	21/05/2022
Animal product production			
4.3 No. 58-1973-0-00-1-0 dated 28 July 2015	Samut Sakhon	02/09/2016	01/09/2024
Animal product production			
5. Thai Union Seafood Co., Ltd.			
5.1 No. 1009(2)/2558 dated 6 January 2015	Songkhla	04/07/2017	03/07/2025
Aqua animal product production			
6. Okeanos Co., Ltd.			
6.1 No. 59-0340-0-00-1-0 dated 7 March 2016	Samut Sakhon	16/08/2016	15/08/2024
Frozen aqua animals and frozen instant product production			
7. Pakfood Pcl.			
7.1 No. 60-0565-0-00-3-0 dated 15 May 2017	Samut Sakhon	14/08/2017	13/08/2025
Frozen aqua animals and frozen convenience product production			
7.2 No. 61-0698-0-00-1-0 dated 15 June 2018	Samut Sakhon	No income generated yet	Apply modern technology to produce frozen aqua animal products, frozen and chilled convenience products type 1.1.1 produce or preserve or food ingredient, except water and ice-cream production
7.3 No. 61-0699-0-00-1-0 dated 15 June 2018	Samut Sakhon	No income generated yet	Apply modern technology to produce frozen ready-to-eat products, frozen and chilled instant and convenience products type 1.1.1 produce or preserve or food ingredient, except water and ice-cream production
8. Thai Union Ingredients Co., Ltd.			
8.1 No. 62-0989-1-00-1-2 dated 9 September 2019	Samut Sakhon	No income generated yet	Produce fish crude oil type 1.1.0 produce oil or vegetable fat or animal fat (except soybean oil)



Industry Overview

2020 was a year like no other. Fish supply, consumption, prices and revenues declined this year due to the impact of COVID-19 containment measures and related supply chain disruptions.

According to the FAO, global catch volumes were about 2 percent lower in 2020 (vs. 2019) largely because of reduced fishing in many regions due to pandemic restrictions on fishing vessel crews and because of changes in consumption patterns. Aggregate prices for 2020 were down year-on-year, for most species. Imports into the world's largest seafood markets (U.S., China, Japan and EU) fell in 2020, leading to reduced revenues for most exporters.

COVID-19's impact on global fish and seafood market volumes has varied by seafood category. While fresh and frozen seafood was negatively impacted, as food service closed down and lockdowns ensued, the canned and value-added categories (in-home consumption) saw increased volumes as consumers stocked up on canned food. However, the protection measures taken by governments to contain



Key Segments and Regions

The processed seafood market can be categorized into three key segments: chilled, frozen and shelf-stable. In terms of consumption, chilled and shelf-stable categories dominate the global processed seafood market, followed by frozen seafood. While the chilled seafood category is expected to continue to lead the market, demand growth is expected to remain in lower single digits over the next few years, with consumption largely driven by the Asia Pacific region (mostly Japan and South Korea). In comparison, shelf-stable is the fastest-growing category, followed by frozen fish and seafood. Growth in these two categories is expected to outpace the chilled products category, driven by increased in-home consumption, product and packaging innovations, and rising consumption in emerging markets (Middle East, Africa and Latin America).

The Asia Pacific region continues to be the largest market for global processed seafood consumption, followed by Western Europe. Japan remains one of the largest consumers of fish and seafood products. According to a report by the Canadian agriculture department, over 90 percent of Japan's domestic production is consumed domestically. Japan's consumers are becoming more health conscious and seeking conveniently packaged, processed seafood products as a source of healthy protein. In the U.S., while restaurant seafood consumption declined in 2020, retail seafood sales achieved new records, driven by an e-commerce boost and in-home cooking. According to IRI, U.S. retail seafood sales across frozen, fresh and shelf-stable categories jumped by 25 - 35 percent compared to 2019. Emerging markets, such as the Middle East, Africa and Latin America continue to grow at a faster rate than mature markets, driven by shelf-stable and frozen categories.

the spread of the pandemic affected each step of the seafood supply chain, from fishing and aquaculture production, to processing, transport and marketing. This also adversely impacted many small and medium enterprises, who struggled to find buyers for their ready stocks, and thus incurred massive losses. According to the US National Fisheries Institute, the U.S. seafood industry added approximately USD \$2.2 billion in outstanding debt since the beginning of the pandemic, with the vast majority of that debt held by small businesses that have struggled to survive. Globally, bigger seafood players tried to adapt to the volatile demand, food service closures, and logistical challenges amongst others. Seafood processing was also affected by worker health issues and labor shortages due to COVID-19 and quarantining of staff.

COVID-19 also sped up the change in consumption patterns, which prompted seafood players to rethink and innovate. New distribution channels, innovative product formats and a shorter value chain are some examples. The importance of retail sales increased significantly at the expense of food service, as the hospitality sector remained subdued. Consumers were concerned about the possibility of new lockdowns, and were wary of frequent social interactions such as eating outside or frequent grocery store trips, driving up demand for preserved and prepared seafood products and categories. During lockdowns, another trend that accelerated was home cooking, which further supported e-commerce channels and convenience-focused product formats.

In recent years, the global processed fish and seafood market had been growing at 2 - 3 percent, before declining in 2020 by 1 - 2 percent, as per FAO. Consumption is expected to increase in 2021, however this remains heavily dependant on when the pandemic subsides, and how the seafood industry reacts to the "new normal".



Competitive Landscape and Pricing Trends of Our Main Raw Materials: Tuna, Shrimp and Salmon

Tuna

In the third quarter of 2020, tuna catches worldwide remained low to moderate while skipjack prices increased by 15 percent - 20 percent (vs. 2019). Major fishing grounds saw lower tuna landings during the third quarter of 2020, driven by scheduled fishing closures in the Western and Central Pacific Ocean (WCP0), and Eastern Pacific Ocean (EPO).

Similarly, lower catches were observed in the Indian Ocean and Atlantic Ocean in the second and third quarters of 2020. In Thailand, higher stocks with Thai canneries led to a 13 percent decline in imports of frozen skipjack in the first half of 2020 (vs. first half of 2019). However, higher imports were observed in frozen yellowfin, albacore and cooked frozen loins.

Non-Canned Tuna Trade

The COVID-19 outbreak resulted in limited non-canned tuna trade, as food service and air travel industries took a hit. Frozen tuna loins saw moderate demand during 2020. Japan remains the world's largest market for non-canned tuna, followed by the U.S. As restaurants and travel closed down, Japan's fresh tuna imports declined by 40 percent during the first half of 2020 (vs. first half of 2019) and frozen tuna loins declined by 10 percent during the same period; frozen tuna imports, however, increased by 20 percent. In the U.S., lower restaurant demand drove an almost 20 percent decline in the first half of 2020 imports of fresh and frozen tuna. On the other hand, EU imports of frozen tuna loins were stable this year, led by France, Italy and Germany.

Canned Tuna Trade

Canned tuna saw increased demand through 2020, driven by COVID-19 panic buying, especially in the U.S. In comparison, the food service sector was hit hard in the first half of 2020, and is expected to have a slow recovery in 2021. During the first quarter of 2020, Thailand increased its canned tuna exports significantly to the U.S. (+40 percent) and Japan (+15 percent).

with other exporting nations also saw increased sales. The Middle East and North Africa (MENA) region remains an important market for Thailand exporters.

U.S. imports of processed and canned tuna saw double digit growth, led by increased consumer demand for both traditional canned tuna as well as other premium variations. Thailand's exports to the U.S. in this category grew by 30 percent (vs. 2019). In the EU, imports increased by 20 percent in the first quarter of 2020, driven by higher in-home consumption, but also weighed down by food service closures. European canners in Spain, Italy, France, and Portugal benefited from the rise in retail demand, however pandemic-driven operational challenges remain. EU imports from other countries grew by 10 percent, led by China, Ecuador and Indonesia. Both Russia and Ukraine saw increased imports during 2020.

Prices and Outlook

Frozen skipjack prices increased by 20 percent during the third quarter of 2020 compared with the same period in 2019, driven by rising canned tuna demand, and lower catches in the major fishing regions. Skipjack delivery price (Bangkok) reached USD 1,650 per tonne in September 2020, later coming down to USD 1,350 per tonne in October.

Similarly, Ecuador skipjack prices peaked at USD 1,850 per tonne in September but came down to USD 1,650 per tonne in October. This makes Ecuador products expensive vs. Asian alternatives; note that there is a separate duty element on finished goods being exported to EU. European prices for frozen skipjack remained stable during September - October 2020. Skipjack prices towards the end of 2020 remained stable, due to pressure from improved fishing in the Indian Ocean and lower skipjack demand from Thai canners.

Canned tuna's retail demand is expected to be stable in the U.S. however, for the food service sector, the future demand pattern remains uncertain until the COVID-19 crisis subsides.

In the non-canned sector, fresh tuna trade is expected to be limited, as food service recovers from the impact of COVID-19 in the next few months. This will further limit demand in sashimi and sushi usage in the biggest seafood market - Japan.

Shrimp

Global shrimp demand decreased in 2020, driven by food service closures across the globe. Retail and in-home consumption increased, however it was not enough to compensate for the losses made by the food service sector. The shrimp aquaculture season in Asia was delayed by 3 - 4 months in 2020 due to the COVID-19 outbreak, thus reducing the farming days and production volumes. The majority of production in India is driven by white shrimp, accounting for 90 percent of total production; India faced a shortage of raw materials during the year, combined with lower shrimp prices as global demand in the HORECA (Hotels, Restaurants and Cafes) segment contracted. As a result, shrimp exports from India were down by 12 percent (January - October 2020) vs. the same period in 2019. Exporters in Vietnam and Indonesia focused on value-added products and retail packaging to cope with changes in market demand. Production in Thailand was lower in 2020 (vs. 2019) as farmers reduced seedlings due to market uncertainties. China also saw a decline in domestic shrimp production, due to shrimp disease and adverse weather conditions.

Shrimp Trade

According to the FAO, the global shrimp trade remained relatively steady with reduced supplies, particularly from Asia during the second and third quarters of 2020, with the U.S. and China (the largest shrimp markets) increasing their imports, as retail shrimp sales increased during the lockdown. While the retail sector saw increased demand, food service/catering demand reduced tremendously in 2020, leading to some balancing out.



Retail consumption of shrimp, the rise of value-added offerings and e-commerce is expected to continue driving shrimp consumption.



The top two shrimp exporters (Ecuador and Indonesia) saw growth in exports during the first half of 2020; Ecuador growth was driven by low export prices and increased the U.S. demand. Thailand and China, however, exported similar levels as 2019. India and Indonesia's exports of cooked frozen shrimp grew 35 percent in 2020.

Amongst the top shrimp importers, China and the U.S. grew marginally, while imports declined in the EU, Japan, Canada and other emerging markets as well. More than 50 percent of China's shrimp imports come from Ecuador, which was temporarily impacted when three Ecuadorian shrimp companies were given an export suspension.

According to IRI, the retail sector typically forms the majority (66 percent) of shrimp consumption in the U.S., with the remaining 35 percent attributed to the food service sector. As food service was impacted by lockdowns and closures in 2020, retail shrimp consumption in the U.S. grew to form more than 75 percent of shrimp sales during the year, however, this was still not enough to offset the decline in food service.

U.S. imports increased marginally, however there was lower consumer demand for peeled shrimp (mostly used in restaurants). Most APAC countries, including Japan, Korea, Singapore, Australia and New Zealand saw declining shrimp demand. Japan's shrimp imports fell by 3-4 percent in 2020. In some Asian countries (India, Thailand, Malaysia), online domestic sales of fresh and frozen shrimp increased significantly in key cities, as lockdowns continued.

Prices and Outlook

Farmed shrimp production in Asia is estimated to have been 15 percent - 20 percent lower in 2020 (vs. 2019). After touching record-low price levels earlier in 2020, shrimp prices showed recovery signs in the fourth quarter of 2020. Ecuador was the worst hit as prices crashed to record low levels in July (global food service closures, China's import ban). In key shrimp markets (China, U.S., Japan, EU), food service is beginning to recover, boosted by lockdown removals and Christmas/New Year holidays. Retail consumption of shrimp, the rise of value-added offerings and e-commerce is expected to continue driving shrimp consumption.

Salmon

Continuing growth in farmed Atlantic salmon supply put downward pressure on prices as boosted retail sales did not fully compensate for the reduced food service demand. In 2021, it's expected that tighter supply and an anticipated recovery in food service will boost demand.

Norway's salmon production in the first half of 2020 was 3 percent higher than the first half of 2019, as the sector grappled with the impact of COVID-19 on logistics and harvesting schedules. In the second half of 2020 there was a price lull, driven by weak demand and higher than anticipated volumes. On the other hand, Chile faced many challenges in 2020, including the COVID-19 impact, low prices and a truck drivers' strike in the second half of 2020, but is on track to recover in 2021. Chilean salmon production grew 8 percent in the first half of 2020 (vs. H1 2019), of which 80 percent was Atlantic salmon.

For other salmon, Chile farmers' focus on coho farming resulted in exceptionally high production in the first half of 2020, however as COVID-19 hit the key markets for exported trout, it resulted in excess supply. Norwegian trout saw stable production levels as compared to the previous year. Wild salmon catches in 2020 declined by 40 percent (vs. 2019) in both Alaska and Russia, driven by weak markets and COVID-19 driven expensive preventive measures for labor in processing plants and on fishing vessels.

Demand Trends

Global demand for salmon was significantly affected by COVID-19 lockdowns, food service closures and other containment measures in 2020. Salmon (among other seafoods) is highly dependent on food service and HORECA channels; Salmon producers are now focusing on creating a stronger retail channel, prepared products (instead of fresh), and tapping non-contact distribution channels such as e-commerce.

In Europe, restaurants in Western Europe (key salmon markets) remained closed or partially closed, but it has opened up the opportunity for suppliers to move output to retail (in-home) consumers without significant financial damage.

The U.S. continues to grapple with COVID-19 lockdowns, among other tensions (political instability high unemployment, growing trade tensions, etc.) which make it a challenging market environment. The retail segment saw a demand slowdown, particularly for fresh fillets and whole fresh fish. However, Chilean salmon continued to fulfill U.S. demand through 2020.

Salmon demand in China also took a hit, due to the dependence on the food service sector which went through multiple closure periods (limited in-home salmon consumption in China) and lower consumer confidence after a subsequent pandemic outbreak was attributed to imported

Global demand for salmon was significantly affected by COVID-19 lockdowns, food service closures and other containment measures in 2020.



salmon. The Chilean trader's association has since planned a large-scale digital campaign to boost consumer confidence in imported salmon, and thus increase their exports.

Chilean and Faroe Islands' exporters were also hit by weakened demand in Russia, the U.S. and Brazil, all key markets for these exporters. The closure of food service, coupled with higher freight costs, have created a challenging market for Chilean fresh fillets, which are mostly dependent on restaurant sales.

Salmon Trade

Norway's aquaculture sector for salmon and trout is the largest in the world, and despite the pandemic, it saw an increase in the average price of fresh whole Atlantic salmon in the first half of 2020. However, volumes in the first half of 2020 remained comparable to the first half of 2019. Norway's top market for salmon exports is the EU, where demand slowed down during the first pandemic wave in 2020, however it managed to recover thereafter. Norwegian salmon exports to China remained volatile in 2020, driven by lockdown measures and contagion risks. Korea's last switch from food service to retail sales (led by e-commerce) helped Norway maintain its exports. For trout, Norway saw increased overall exports, but struggled with logistical challenges. Exports out of many European producer countries declined steeply from March onwards.

Chile's exports of Atlantic salmon increased by 2 percent in the first half of 2020 vs. the first half of 2019, as Chilean exporters tried to make up for the drop in sales to China. The top export markets for Chilean salmon are the U.S., Japan, Russia, Brazil and China. As all of these markets were impacted by COVID-19, however Chile's shipments to the U.S. increased 10 percent in volume over 2019. Chilean producers were also grappling with logistical challenges as strict travel restrictions continued into 2020 - almost 50 percent of Chilean fresh salmon shipments to the U.S. were previously carried on commercial passenger flights. Exports of coho from Chile reduced by 20 percent in the first quarter of 2020 (vs. first quarter of 2019), further compounding profitability challenges in the Japanese market (main buyer of coho).

At an overall level, U.S. salmon imports increased by 2 percent in the first half of 2020 compared to the same period of 2019, while Japan's salmon imports saw 5 percent growth in the first half 2020 compared to the same period in 2019, driven by coho imports from Chile (which were already in over supply).

Prices and Outlook

Physical and regulatory restraints on production growth drove salmon prices upwards for the last few years, reaching record levels in 2018, with similar levels teased in late 2019 and early 2020. However, prices were pushed lower in the second half of 2020 due to increasing stocks and market uncertainty. As of December 2020 the NASDAQ salmon index, measuring average export prices for fresh whole farmed Atlantic salmon out of Norway, was NOK 59 per kg, compared with NOK 66 per kg in the same week last year. Chilean fresh fillets also saw a price reduction by up to 20 percent over 2019.

In 2021, the FAO expects the pricing for fresh whole Norwegian Atlantic salmon to be stable at around NOK 60 (USD 6.49) per kg, driven by a positive market outlook. The new consumers gained during this current shift of volumes from food service to retail will continue to drive additional volumes, even after restaurants are fully opened up.

Estimates for growth in global production of farmed Atlantic salmon in 2021 average around 3 percent. The major contributors to this growth are Norway (+2 percent growth) and Chile (+6 percent growth). Scottish harvests will be approximately flat year-on-year after a strong rebound in 2019. Emerging producer countries such as Australia, Iceland, China and Russia will also drive production growth going forward. These countries are expected to contribute more than 15 percent to increased salmon supply in 2021, as traditional producers have limited growth potential due to physical and regulatory constraints.

Sources: FAO, GlobeFish, IRI, US National Fisheries Institute, Canadian agriculture department, Aquaculture export reports

Competition and Industry Trends

The FAO estimates that 10 percent of the global population relies on fisheries for their livelihood, which makes aquaculture a critical industry. The fish and seafood industry is a highly competitive and constantly-evolving market. Thal Union, as one of the world's largest seafood producers, is well adept at navigating the challenges and adapting to changing market conditions. We continue to face strong competition in our core categories of tuna, shrimp and salmon, as well as the impact of foreign exchange (as the Thai Baht continues to appreciate). The seafood processing industry in our key markets (U.S., EU, Thailand, Japan and other emerging nations) continues to be fragmented (see brand share section in this annual report.)

Over the last few years, seafood industry growth has been fuelled by rising disposable incomes leading to higher spends on healthier protein sources, increased demand from emerging economies (e.g., Middle East and North Africa) and the launch of innovative products and packaging formats (e.g., ready-to-eat, pouches). Consumers in developed economies are increasingly looking for grab-and-go snacks and meal kits without having to sacrifice nutritional value.

Key challenges faced by the seafood players include volatility in raw material pricing, forex and demand, coupled with geopolitical tensions, changing consumer preferences (e.g. plant-based diets), overfishing, and other sustainability concerns. Alternative protein is expected to be a growing part of consumers' diets going forward.

Sources: FAO, GlobeFish





Factories and Capacity

Thai Union and its major affiliates worldwide are seafood processors with combined production capacity (metric ton of raw material) of 820,000 tons per year. The production capacity for tuna, frozen shrimp, sardine, salmon and pet care is roughly 570,000, 60,000, 120,000, 20,000 and 50,000 tons respectively.

In this regard, Thai Union Group has 25 entities with operating factories which can be divided by region as following:

List of entities with operating factories in
Thai Union Group

Asia 11 Companies

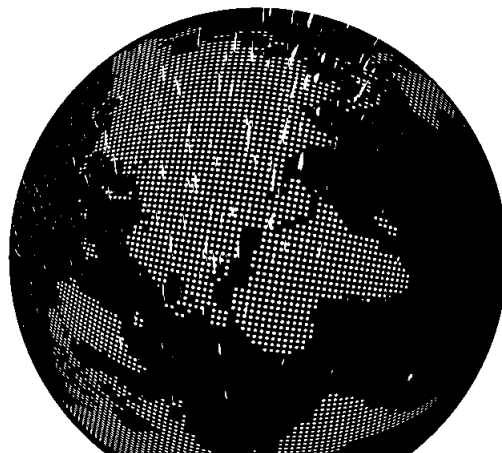
- Thai Union Group PCL.
- Thai Union Manufacturing Co., Ltd.
- Songkla Canning PCL.
- Thai Union Seafood Co., Ltd.
- PakFood PCL.
- Okeanos Food Co., Ltd.
- Thai Union Feedmill PLC.
- Asian-Pacific Can Co., Ltd.
- Thai Union Graphic Co., Ltd.
- Thai Union Ingredients Co., Ltd.
- Yueh Chi Yang Canned Food Co., Ltd.

Europe & Africa 13 Companies

- Etablissements Paul Paulet SAS
- European Seafood Investment Portugal S.A.
- Pioneer Food Cannery Limited
- Indian Ocean Tuna Limited
- Meralliance Armoric SAS
- Meralliance Poland Sp. Z o.o.
- Rugen Fisch AG
- Ostsee Fisch GmbH & Co. Produktions-und Vertriebs KG
- Hawesta-Feinkost Hans Westphal GmbH & Co. KG
- Ostsee Fisch Kretzinga UAB
- Thai Union Marine Nutrients GmbH
- King Oscar AS
- Thai Union Poland Sp. Z o.o.

North America 1 Company

- Tri-Union Seafoods, LLC



Assets Used in Business Operation

Business Assets

Thai Union and its subsidiaries accumulatively employed core business assets as follows:

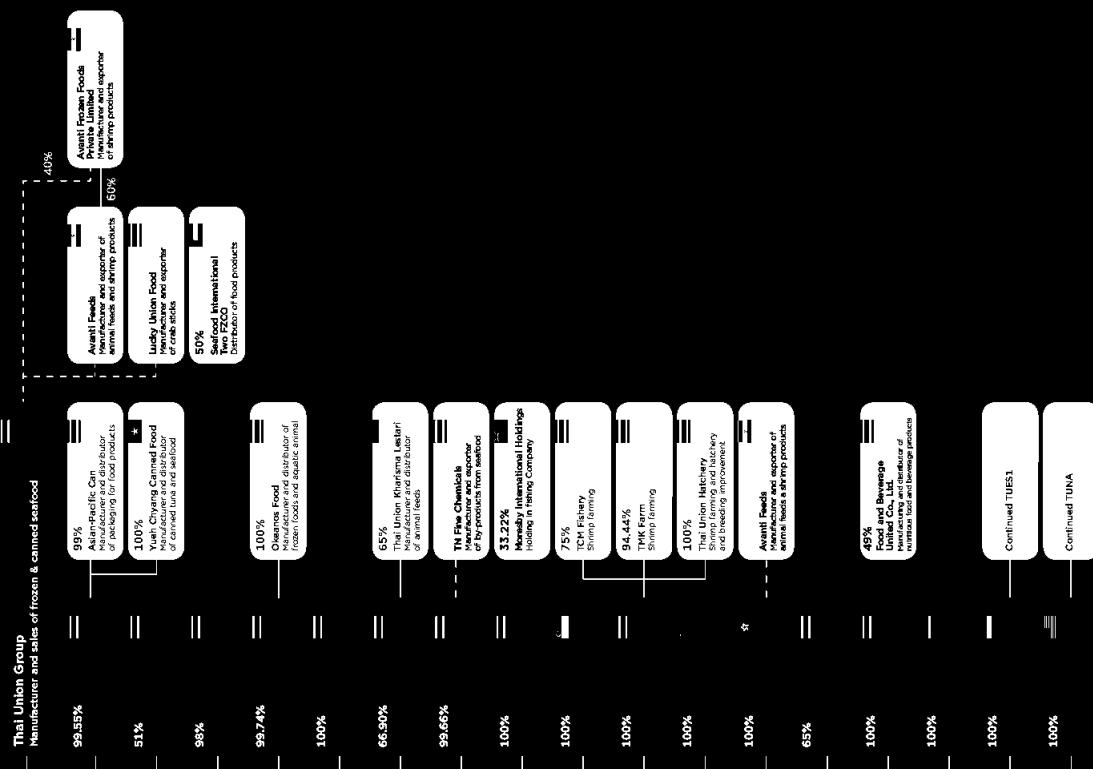
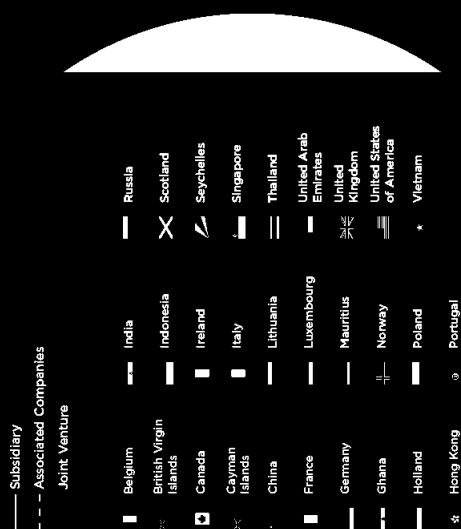
- As of 31 December 2020, the core assets employed by Thai Union and its subsidiaries in their businesses, including land, machines, and factory buildings, commanded a net value of THB 26,690.93 million.
 - Land, buildings and equipment employed by its subsidiaries overseas commanded a net value of THB 170.31 million (2019: THB 366.64 million) and have been pledged as collateral for credit and loans from financial institutions.
- Thai Union and its subsidiaries own two plots of non-operational land, each in Phetchaburi and Prachin Buri provinces. (2019: THB 1,526.48 million)
- Intangible assets include research and development, trademark and right to use, contracts with clients/ distributors, computer programs as well as copyright and other patents.

Pending for Delivery Note

Given the nature of Thai Union Group's business, it does not operate a high value project. On the other hand, it operates on-demand manufacturing, with orders placed in advance. Therefore, the Company's backlog in this sense is the production output that will be delivered by schedule as agreed with customers.

Business Structure

That Union Group manages the operations of the Group by dividing reporting lines by region i.e. Asia, Europe & Africa and North America. The structure of the companies within the Group is illustrated below:





Details of the Company, Its Subsidiaries and Associated Companies and Joint Ventures

Name	Type of Business	Authorized Capital	Paid up Capital	Number of Issued Shares	% of H
1. Thai Union Group PCL	Manufacturer and sales of frozen and canned seafood	THB 1,492,953,874	THB 1,192,953,874	4,771,815,496	-
Subsidiary Companies					
Thailand					
2. Thai Union Manufacturing Co., Ltd.	Manufacturer and exporter of canned tuna and pet food	THB 300,000,000	THB 300,000,000	30,000,000	99.66% held by Thai Union Group Public Company Limited
3. Songkla Canning PCL	Manufacturer and exporter of canned seafood	THB 360,000,000	THB 360,000,000	36,000,000	99.55% held by Thai Union Group Public Company Limited
4. Thai Union Graphic Co., Ltd.	Printing manufacturer	THB 40,000,000	THB 40,000,000	4,000,000	98% held by Thai Union Group Public Company Limited
5. EHS Training and Services Co., Ltd.	Providing training and management services	THB 70,000,000	THB 70,000,000	7,000,000	100% held by Thai Union Group Public Company Limited
6. Thai Union Feedmill PCL	Manufacturer and distributor of animal feeds	THB 820,000,000	THB 820,000,000	82,000,000	66.90% held by Thai Union Group Public Company Limited

Name	Type of Business	Authorized Capital	Paid up Capital	Number of Issued Shares	% of H
7. Pakfood PCL	Manufacturer and distributor of frozen foods and aquatic animal	THB 329,999,790	THB 329,999,790	32,999,979	99.74% held by Thai Union Group Public Company Limited
8. Thai Union Seafood Co., Ltd.	Manufacturer and exporter of frozen shrimp	THB 300,000,000	THB 300,000,000	30,000,000	51% held by Thai Union Group Public Company Limited
9. Thai Union Online Shop Co., Ltd.	E-Commerce	THB 1,000,000	THB 1,000,000	100,000	100% held by Thai Union Group Public Company Limited
10. Asian-Pacific Can Co., Ltd.	Manufacturer and distributor of packaging for food products	THB 80,000,000	THB 80,000,000	200	99% held by Songkla Canning PCL
11. Okeanos Food Co., Ltd.	Manufacturer and distributor of frozen foods and aquatic animal	THB 380,000,000	THB 380,000,000	3,800,000	100% held by Pakfood PCL
12. Thai Union Ingredients Co., Ltd.	Manufacturer and distributor of ingredients product	THB 300,000,000	THB 300,000,000	30,000,000	100% held by Thai Union Group Public Company Limited
13. Thammachart Seafood Retail Co., Ltd.	Importer of seafood and seafood restaurant outlets	THB 6,000,000	THB 6,000,000	60,000	65% held by Thai Union Group Public Company Limited
14. TMAC Co., Ltd.	Distributor of shrimp feed and investment in breeding farms, and shrimp farming	THB 1,130,000,000	THB 1,130,000,000	113,000,000	100% held by Thai Union Group Public Company Limited



Name	Type of Business	Authorized Capital	Paid up Capital	Number of Issued Shares	% of H
15. Thai Union Hatchery Co., Ltd.	Shrimp farming and hatchery and breeding improvement	THB 510,000,000	THB 510,000,000	51,000,000	100% held by TMAC Co., Ltd.
16. TCM Fishery Co., Ltd.	Shrimp farming	THB 70,000,000	THB 70,000,000	7,000,000	75% held by TMAC Co., Ltd.
17. TMK Farm Co., Ltd.	Shrimp farming	THB 270,000,000	THB 270,000,000	27,000,000	94.44% held by TMAC Co., Ltd.
Asia					
18. Thai Union China Co., Ltd.	Distributor of food products	RMB 109,737,881	RMB 109,737,881	-	100% held by Thai Union Group Public Company Limited
19. Thai Union Asia Investment Holding Limited	Holding Company	USD 20,000	USD 20,000	20,000	100% held by Thai Union Group Public Company Limited
20. Yuesh Chyang Canned Food Co., Ltd.	Manufacturer and distributor of canned tuna and seafood	VND 27,233,525,395	VND 27,233,525,395	-	100% held by Songkla Canning PCL.
21. PT Thai Union Kharisma Lestari	Manufacturer and distributor of animal feeds	IDR 199,920,000	IDR 199,920,000	1,999,200	65% held by Thai Union Feedmill PCL.
22. Thai Union South East Asia Pte. Ltd.	Consultancy services	SGD 100	SGD 100	100	100% held by Thai Union Group Public Company Limited

Name	Type of Business	Authorized Capital	Paid up Capital	Number of Issued Shares	% of H
Europe					
23. Thai Union EU Seafood 1 S.A.	Holding Company	EUR 212,250,690	EUR 212,250,690	212,250,690	100% held by Thai Union Group Public Company Limited
24. Thai Union Europe SAS	Headquarters activity	EUR 153,468,098	EUR 153,468,098	153,468,098	100% held by Thai Union EU Seafood 1 S.A.
25. Thai Union Trading Europe B.V.	Distributor of seafood	EUR 10	EUR 10	10	100% held by Thai Union EU Seafood 1 S.A.
26. Marellu SRL	Importer and distributor of canned seafood	EUR 10,100,000	EUR 10,100,000	200,000	100% held by Thai Union Europe
27. European Seafood Investment Portugal S.A.	Manufacturer and exporter of canned sardines and mackerel	EUR 50,000	EUR 50,000	10,000	100% held by Thai Union Europe
28. Etablissements Paul Paulet SAS	Manufacturer, importer, distributor and exporter of canned seafood	EUR 12,736,220	EUR 12,736,220	636,811	100% held by Thai Union Europe
29. UK Seafood Investments Limited	Holding Company	GBP 100	GBP 100	100	100% held by Thai Union Europe
30. Irish Seafood Investments Limited	Importer and distributor of canned seafood	EUR 1,000	EUR 1,000	1,000	100% held by Thai Union Europe
31. John West Foods Limited	Importer and distributor of canned seafood	GBP 250,000	GBP 250,000	250,000	100% held by UK Seafood Investments Limited



Name	Type of Business	Authorized Capital	Paid up Capital	Number of Issued Shares	% of H
32. John West Holland BV	Importer and distributor of canned seafood	EUR 90,000	EUR 18,000	18,000	100% held by Irish Seafood Investments Limited
33. Européenne de la Mer SAS	Holding Company and distributor of salmon	EUR 31,782,446	EUR 31,782,446	31,782,446	100% held by Thal Union Europe
34. Meralliance Armoric SAS	Manufacturer of smoked salmon	EUR 3,434,697	EUR 3,434,697	225,226	100% held by Européenne de la Mer SAS
35. Meralliance SAS	Distributor of smoked salmon	EUR 500,000	EUR 500,000	50,000	100% held by Européenne de la Mer SAS
36. Insaum SCI	Property rental	EUR 1,524	EUR 1,524	100	100% held by Européenne de la Mer SAS
37. Meralliance Poland Sp Z o.o.	Manufacturer of chilled salmon	PLN 4,500,000	PLN 4,500,000	45,000	100% held by Européenne de la Mer SAS
38. The Edinburgh Salmon Co., Ltd.	Dormant Company	GBP 200,000	GBP 200,000	200,000	100% held by Européenne de la Mer SAS
39. Naco Trading AS	Distributor of salmon	NOK 110,000	NOK 110,000	220	100% held by Européenne de la Mer SAS
40. Thal Union Poland Sp Z o.o.	Manufacturer and distributor of canned seafood	PLN 50,005,000	PLN 50,005,000	1,000,100	100% held by Thal Union EU Seafood I S.A.

Name	Type of Business	Authorized Capital	Paid up Capital	Number of Issued Shares	% of H
41. King Oscar AS	Manufacturer and distributor of canned seafood	NOK 35,100,000	NOK 35,100,000	55,100	100% held by Thal Union EU Seafood I S.A.
42. Norway Foods Europe NV	Importer and distributor of canned seafood	EUR 62,000	EUR 62,000	62,000	100% held by Etablissements Paul Paulet SAS
43. Thal Union Germany GmbH	Holding Company	EUR 25,000	EUR 25,000	25,000	100% held by Thal Union EU Seafood I S.A.
44. Thal Union Marine Nutrients GmbH	Tuna oil refinery	EUR 25,000	EUR 25,000	25,000	100% held by Thal Union Germany GmbH
45. Rügen Fisch AG	Manufacturer and distributor of seafood	EUR 2,827,840	EUR 2,827,840	2,827,840	51% held by Thal Union Germany GmbH
46. Hawesta-Finkost Westphal GmbH & Co. KG	Manufacturer and distributor of seafood	EUR 4,000,000	EUR 4,000,000	4,000,000	100% held by Rügen Fisch AG
47. Seafood Beteiligungs - und Verwaltungs GmbH	Dormant Company	EUR 25,600	EUR 25,600	25,600	100% held by Hawesta-Finkost Hans Westphal GmbH & Co. KG
48. Artur Heymann GmbH & Co. KG	Distributor of seafood	EUR 1,250,000	EUR 1,250,000	1,250,000	100% held by Hawesta-Finkost Hans Westphal GmbH & Co. KG
49. Meerkronen Fisch-Frankfurt GmbH	Property rental	EUR 25,600	EUR 25,600	25,600	100% held by Rügen Fisch AG
50. Ostsee Fisch Verwaltungs GmbH	Dormant Company	EUR 25,565	EUR 25,565	25,565	100% held by Rügen Fisch AG



Name	Type of Business	Authorized Capital	Paid up Capital	Number of Issued Shares	% of H
51. Ostsee Fisch GmbH & Co. Produktions-und Vertriebs KG	Manufacturer and distributor of seafood	EUR 4,150,000	EUR 4,150,000	4,150,000	100% held by Rugen Fisch AG
52. Ostsee Fisch Kreftiga UAB (gAG)	Manufacturer and distributor of seafood	EUR 1,781,214	EUR 1,781,214	1,781,214	100% held by Rugen Fisch AG
53. TUMD Luxembourg S.a.r.l	Holding Company	EUR 552,583	EUR 552,583	-	90% held by Thal Union EU Seafood 1 S.A.
54. Dalpromyia LLC	Manufactures and sales of canned and frozen seafood	RUB 25,000,000	RUB 25,000,000	-	100% held by TUMD Luxembourg S.a.r.l
55. Torgovo-Promyshlenny Kompleks "Dalpromyia" LLC	Trading entity	RUB 100,000	RUB 100,000	-	100% held by TUMD Luxembourg S.a.r.l
56. Maguro LLC	Frozen fish trading activities	RUB 4,749,503	RUB 4,749,503	-	100% held by TUMD Luxembourg S.a.r.l
Africa					
57. MW Brands Seychelles Limited	Exporter of canned tuna	EUR 84,924	EUR 84,924	100	100% held by Thal Union Europe
58. Indian Ocean Tuna Limited	Manufacturer and exporter of canned tuna	EUR 9,273,000	EUR 7,192,589	41,500	60% held by Thal Union Europe
59. Pioneer Food Cannery Limited	Manufacturer of canned tuna	USD 28,476,740	USD 28,476,740	28,476,740	100% held by Etablissements Paul Paulet SAS
60. TTV Limited	Dormant Company	USD 2,250,000	USD 2,250,000	100	70% held by Etablissements Paul Paulet SAS

Name	Type of Business	Authorized Capital	Paid up Capital	Number of Issued Shares	% of H
61. Thal Union Investment Holding Co., Ltd.	Holding Company	EUR 500,001	EUR 500,001	-	100% held by Thal Union Group Public Company Limited
America					
62. King Oscar Inc.	Importer and distributor of canned seafood	USD 100,000	USD 50,000	500	100% held by King Oscar AS
63. Thal Union Canada Inc.	Manufacturer and distributor of seafood	CAD 17,523,875	CAD 17,523,875	114,577	100% held by Thal Union EU Seafood 1 S.A.
64. C.H. Rich, Inc.	Reseller of seafood	USD 834,751	USD 834,751	7,384	100% held by Thal Union Canada, Inc.
65. Thal Union North America, Inc.	Holding Company	USD 12,000,000	USD 329,068,225	10,050,000	100% held by Thal Union Group Public Company Limited
66. Tri-Union Seafoods, LLC	Manufacturer and distributor of canned tuna and seafood	USD 54,738,979	USD 54,738,979	-	100% held by Thal Union North America, Inc.
67. Tri-Union Frozen Products, Inc.	Importer and distributor of frozen seafood	USD 10	USD 29,097,898	10,000	100% held by Thal Union North America, Inc.
68. Tri-Union Frozen Products Canada, ULC	Technical service provider	USD 640,000	USD 640,000	9,999	100% held by Tri-Union Frozen Products Inc.



Name	Type of Business	Authorized Capital	Paid up Capital	Number of Issued Shares	% of H
69. US Pet Nutrition, LLC	Importer and distributor of premium pet food	USD 64,000,000	USD 64,000,000	-	99% held by Thal Union North America, Inc. 1% held by Tri-Union Seafoods, LLC
70. Thal Union Investments North America, LLC	Holding Company	USD 200,000,000	USD 200,000,000	-	100% held by Thal Union North America, Inc.
Associated Companies					
Thailand					
1. Lucky Union Foods Co., Ltd.	Manufacturer and exporter of crab sticks	THB 150,000,000	THB 150,000,000	1,500,000	25% held by Thal Union Group Public Company Limited
Asia					
2. TN Fine Chemicals Co., Ltd.	Manufacturer and exporter of products from seafoods	THB 90,000,000	THB 90,000,000	9,000	49% held by Thal Union Manufacturing Co., Ltd.
Asia					
3. Avanti Feeds Limited	Manufacturer and exporter of animal feeds and shrimp products	INR 136,245,630	INR 136,245,630	136,245,630	15.43% held by Thal Union Group Public Company Limited and 8.78% held by Thal Union Asia Investment Holding Limited
4. Avanti Frozen Foods Private Limited	Manufacturer and exporter of shrimp products	INR 101,000,000	INR 101,000,000	10,100,000	60% held by Avanti Feeds Limited and 40% held by Thal Union Group Public Company Limited

Name	Type of Business	Authorized Capital	Paid up Capital	Number of Issued Shares	% of H
Europe					
5. LDH (La Doria) Limited	Distributor of food products	GBP 1,000,000	GBP 1,000,000	200,000	20% held by John West Foods Limited
America					
6. Red Lobster Group	Restaurants	USD 230,000,000	USD 230,000,000	7,600,000	25% held by Thal Union Investments North America, LLC
Joint Ventures					
Thailand					
1. Food and Beverage United Co., Ltd.	Manufacturing and distributor of nutritious food and beverage	THB 4,900,000	THB 4,900,000	490,000	49% held by Thal Union Group Public Company Limited
Asia					
2. Seafood International Two FZCO	Distributor of food products	AED 100,000	AED 100,000	100,000	50% held by Thal Union Group Public Company Limited
America					
3. Moresty International Holdings, Inc.	Holding in fishing Company	USD 9,327,699	USD 9,327,699	10,000,000	33.22% held by Thal Union Manufacturing Co., Ltd.
4. Seafood International Holdco	Holding Company	USD 10,000	USD 10,000	10,000	41% held by Thal Union Germany GmbH



Shareholding Structure and Management

No.	Shareholders	Shares
1	CHANSIRI FAMILY	919,216,296
2	THAI NVDR CO., LTD.	775,013,202
3	MITSUBISHI CORPORATION	347,745,120
4	NIRUTTINANON FAMILY	330,374,084
5	SOCIAL SECURITY OFFICE	225,207,008
6	STATE STREET EUROPE LIMITED	153,719,785
7	THAI UNION GROUP PCL	116,682,800
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	104,086,552
9	BOONMECHOTE FAMILY	84,442,980
10	TIN SHUE CHAN	67,900,000

Remark:
Register book on 30 December 2020 and based on total number of shares of 4,771,815,496 at the par value of THB 0.25 and including their associates and persons who are under controlling persons.

Nationality	Juristic Persons			Natural Persons			Total
	No. of Persons	No. of Shares	%	No. of Persons	No. of Shares		
Thai	536	1,547,859,337	53.98	25,160	1,772,521,716	93.08	25,696
Foreign	224	1,319,712,450	46.02	45	131,721,993	6.92	269
Total	760	2,867,571,787	60.09	25,205	1,904,243,709	39.91	25,965
							4,771,815,496
							100.00

The Report of any Changes Made to the Securities Ownership of Directors and Management for Year 2020

Directors and Management	Position	As of 1 January 2020	Capital Increase	Purchase	Sell	Transfer	30
1. Kraisorn Chensiri	Chairman	231,134,720	4.84%	-	-	-	231,134,720
2. Cheng Niruttinanon	Executive Chairman	266,774,116	5.59%	2,900,000	(1,300,000)	-	268,374,116
3. Chuan Tangchaisiri	Executive Director	38,669,000	0.81%	-	-	-	38,669,000
4. Thiraphong Chensiri	President & CEO	509,065,212	10.67%	-	-	-	509,065,212
5. Rittirong Boonmechote	President of Global Frozen and Related Business	63,442,980	1.33%	-	-	-	63,442,980
6. Norio Saigusa	Director	-	-	-	-	-	-
7. Ravinder Singh Grewal Sarbjit S	Director	-	-	-	-	-	-
8. Shue Chung Chen	Executive Director	12,295,272	0.26%	-	-	-	12,295,272
9. Sakdi Kiawwarkha	Independent Director	50,000	0.00%	-	-	-	50,000
10. Thammoon Awanthathai	Independent Director	-	-	-	-	-	-
11. Krati Assikul	Independent Director	103,248	0.00%	-	-	-	103,248
12. Nart Luchanon	Independent Director	-	-	-	-	-	-
13. Jøerg Ayle	Group Chief Financial Officer	106,000	0.00%	-	-	-	106,000
14. Leonardus Cohen	Managing Director, Thai Union Ingredients	-	-	-	-	-	-
15. Tunyawat Kasemsuvan	Group Director, Global Innovation	-	-	-	-	-	-
16. Daran McBain	Group Director, Sustainability	-	-	-	-	-	-
17. Patrick Berblanffy	Group Director, Strategy	-	-	-	-	-	-
18. Kushaan Singh	Group Director, Human Resources	-	-	-	-	-	-

Remark:
Shareholders of TU that included spouse and children pursuant to section 258 of the Securities and Exchange



Debentures of Thai Union Group Public Company Limited

Year 2011	Debentures Name	Amount (THB million)	Tenor (Year)	Maturity Date
Year 2011				
	Debentures of Thai Union Group Public Company Limited No. 1/2011 Series 1 Due B.E. 2014*	3,300	3	27/7/2014
	Debentures of Thai Union Group Public Company Limited No. 1/2011 Series 2 Due B.E. 2016*	1,950	5	27/7/2016
	The Debentures of Thai Union Group Public Company Limited No. 1/2011 Series 3 Due B.E. 2021	1,500	10	27/7/2021
Year 2014				
	Debentures of Thai Union Group Public Company Limited No. 1/2014 Series 1 Due B.E. 2017*	2,500	3	6/2/1960
	Debentures of Thai Union Group Public Company Limited No. 1/2014 Series 2 Due B.E. 2019*	3,150	5	6/2/1962
	Debentures of Thai Union Group Public Company Limited No. 1/2014 Series 3 Due B.E. 2021	1,550	7	6/2/1964
	Debentures of Thai Union Group Public Company Limited No. 1/2014 Series 4 Due B.E. 2024	1,050	10	6/2/1967
	Debentures of Thai Union Group Public Company Limited No. 2/2014 Series 1 Due B.E. 2021	1,000	7	9/10/1964
	Debentures of Thai Union Group Public Company Limited No. 2/2014 Series 2 Due B.E. 2024	3,500	10	9/10/1967
Year 2016				
	U.S. Dollar Denominated Debentures of Thai Union Group Public Company Limited No. 1/2016 Due B.E. 2026	USD 75 million	10	11/4/2026
	Debentures of Thai Union Group Public Company Limited No. 2/2016 Series 1 Due B.E. 2019*	6,000	3	20/7/2019
	Debentures of Thai Union Group Public Company Limited No. 2/2016 Series 2 Due B.E. 2021	2,000	5	20/7/2021
	Debentures of Thai Union Group Public Company Limited No. 2/2016 Series 3 Due B.E. 2023	2,000	7	20/7/2023

Year 2017	Debentures Name	Amount (THB million)	Tenor (Year)	Maturity Date
Year 2017				
	Debentures of Thai Union Group Public Company Limited No. 1/2017 Series 1 Due B.E. 2020 *	3,500	3	19/1/2020
	Debentures of Thai Union Group Public Company Limited No. 1/2017 Series 2 Due B.E. 2022	2,000	5	19/1/2022
	Debentures of Thai Union Group Public Company Limited No. 1/2017 Series 3 Due B.E. 2024	2,500	7	19/1/2024
	Debentures of Thai Union Group Public Company Limited No. 1/2017 Series 4 Due B.E. 2027	4,000	10	19/1/2027
Year 2019				
	Debentures of Thai Union Group Public Company Limited No. 1/2019 Series 1 Due B.E. 2026	2,000	7	6/11/2026
	Debentures of Thai Union Group Public Company Limited No. 1/2019 Series 2 Due B.E. 2029	4,000	10	6/11/2029
	** Subordinated Perpetual Debentures of Thai Union Group Public Company Limited No. 2/2019 Payable upon Liquidation With The Issuer's Call Option and Unconditional Interest Deferral	6,000	-	Liquidation
** Coupon rate details:				
* Debentures that have been redeemed				
For the first five years: fixed interest rate of 5.00 percent per annum				
For Year 6 to Year 25, at an interest rate equal to the sum of (a) Reference Rate (b) Initial Credit Spread; and (c) a rate of 0.25 percent per annum				
For Year 26 to Year 50, at an interest rate equal to the sum of (a) Reference Rate (b) Initial Credit Spread; and (c) a rate of 1.00 percent per annum				
For Year 51 onwards, at an interest rate equal to the sum of (a) Reference Rate (b) Initial Credit Spread; and (c) a rate of 2.00 percent per annum				
The interest rate shall be adjusted to reflect the Reference Rate being adjusted every five years by reference to an interpolated 5-year Government Bond Yield curve.				



Dividend Policy

Our dividend policy remains at a minimum of 50 percent payout of our net profit with semi-annual payments.

Thai Union continued to deliver a high dividend payout ratio of 57 percent of reported net profit during 2020. The Company announced a full-year dividend payment of THB 0.72/share, up from THB 0.47/share in 2019. The dividend book closing date is on 9 March 2021, and the final dividend is paid on 21 April 2021.

Thai Union has consistently paid dividends to its shareholders every year since listing on The Stock Exchange of Thailand in 1994.

Business Operations and Performance



2 Risk Management

Report of the Risk Management Committee

Dear Board of Directors and Shareholders,

The Risk Management Committee (The Committee) was appointed by the Board of Directors to oversee the effectiveness and efficiency of the Company's Enterprise risk management, as well as investment risk management. The Committee comprises three independent directors and five executives of the Company – all of whom are highly qualified with extensive experience from various backgrounds. In 2020, the Committee performed duties in compliance with the Risk Management Committee Charter.

Throughout 2020, the Committee closely monitored risks, reviewed risk mitigation, provided useful recommendations and kept pace especially with the COVID-19 global pandemic situation to ensure that Group-wide risk management was sufficient and effective in the midst of a global situation that was volatile in many factors.

The Committee performed duties in compliance with the Risk Management Committee Charter. Below is a summary of tasks performed in 2020:

Meeting

The Committee convened seven meetings during 2020 and each time a quorum was met. The meeting attendance report can be summarized as follows:

	Chairman and Independent Director	Attended: 7/7
1. Kiriati Assakul	Member and Independent Director	Attended: 7/7
2. Sakdi Kiewkamkha	Member and Independent Director	Attended: 7/7
3. Thamnoon Ananthothai	Member and Executive Director	Attended: 7/7
4. Thirachong Chansiri	Member and Executive Director	Attended: 5/7
5. Shue Chung Chan	Member	Attended: 7/7
6. Joerg Aytle	Member	Attended: 5/7
7. Darian McBain	Member	Attended: 5/7
8. Patrick Bertalanffy	Member	Attended: 5/7



Risk Profile and Mitigation Review

When the global COVID-19 pandemic began, Thai Union Group, as a global Company with operations in many countries around the world, faced risks from the beginning of 2020. The Committee considered and closely monitored such risks including providing insightful advice to executives. This was to ensure that the Company was highly proactive in terms of risk management for the health and safety of employees, business continuity and creating food security and safety for consumers.

Throughout our operations in 2020, the Committee took significant consideration of the global pandemic risks and measures as well as other risks listed below. The Committee found that risk management processes were able to identify significant risks with appropriate management, which is adequate to manage and monitor risks, including having a balance with business opportunities.

Risks that were considered included:

1. Reviewed corporate risks profile and mitigation strategies in response to the dynamically changing external and internal environments, including:
 - 1.1 *Strategic risk* - Global pandemic of COVID-19, Fish and seafood competitive landscape, Trade barrier, Sustainability, Post-merger integration, Innovation investment and Climate change;
 - 1.2 *Operational risk* - Raw material prices and supply availability, Inventory management, Food quality, Conversion cost, Inventory management, Major damage at production plant and Cybersecurity;
 - 1.3 *Legal & Compliance risk* - Regulatory Compliance and Litigation; and

- 1.4 *Financial risk* - Exchange rate, Interest rate, Liquidity, Funding and Capital, Customer credit, International and local tax changes;
2. Reviewed strategic investment project risk profile and mitigation, including merger and acquisition in alignment with the Company's growth strategies. The investments included:
 - 2.1 Acquisition of additional shares in TUMD Luxembourg S.a.r.l in Luxembourg;
 - 2.2 Shareholding changes in Red Lobster Master Holdings, L.P. in the US; and
 - 2.3 Investment in PT THAI UNION KHARISMA LESTARI in Indonesia.
3. Emerging risk assessment and mitigation plan looked at the following risks:

- 3.1 Global pandemic of COVID-19 was both an opportunity to our businesses and risk to our operations and employees' health and safety in every country in which we operate; and
- 3.2 Data Protection and Privacy regulations which have gradually come into force, including the Thai Personal Data Protection Act B.E. 2562 (2018) (PDPA), have put pressure on IT to control and manage data across Thai Union. Non-compliance could result in reputational, financial penalties and liabilities.

In addition, the Committee considered the appropriateness and effectiveness of the risk management policy in order to facilitate risk management operations and report quarterly to the Audit Committee and the Board of Directors.

Embedded Risk Management Culture

The Committee has promoted its risk management policy throughout the business and the Company has communicated this to employees for acknowledgement and compliance. The Committee agrees that the Company's risk management processes were adequate and effective, with full support from management personnel. The process was aligned with the risk management framework. The deployment of the risk management program covered all Thai Union Group's key subsidiaries. The Committee has promoted a risk management culture in various activities in 2020 as outlined below.

1. Promoted risk awareness in and provided suggestions to the Corporate Risk Workshop performed by the Global Leadership Team (GLT) and Risk Management Office to assess Group-wide enterprise risks and emerging risks;
2. Oversaw entities' risk management processes and the results of 11 subsidiaries including Thai Union Manufacturing Co., Ltd., Songkla Canning PCL., Thai Union Feedmill Co., Ltd., Thai Union Seafood Co., Ltd., Pakfood Public Co., Ltd., Thai Union EU Seafood 1 S.A. and its subsidiaries, Tri-Union Seafoods, LLC, Tri-Union Frozen Products, Inc. Asia-Pacific Can Co., Ltd., Thai Union (China) Co., Ltd., and Yueh Chyang Canned Food Co., Ltd.;
3. Incorporated the risk assessment and mitigation process into the strategic investment project including business acquisition, mergers and joint ventures, new business investment/ divestment and capital expenditures. The Committee reviewed the sufficiency and effectiveness of risks and reported to the Board of Directors for consideration; and
4. Suggested management evaluate risk management effectiveness by reviewing risk, opportunity and performance and to pursue improvement in risk management.

Forward Looking

There is no doubt that the Company will continue facing with VUCA world which is full of Volatility, Uncertainty, Complexity and Ambiguity together with key concerns upon employee and stakeholders' health and safety. Enterprise risk management will be an important part of how the organization manages these challenges and moves forward our operations and businesses.

Key additional areas the Company will move forward to enhance risk management:

1. Integrate risk management into strategy planning and objective setting with defined risk appetite;
2. Encourage management to further analyse and assess additional emerging risks in 2021; and
 - 2.1 Ocean plastic; and
 - 2.2 Global shifts in aquaculture market and technology.

The Committee reviewed the risks and encouraged management to further analyse and assess these emerging risks in 2021.

KIRATI ASSAKUL

Chairman of
the Risk Management Committee

Group-wide Risk Management

Our Culture, Policy and Framework

The Company considers effective risk management and mitigation to be integral to our business operations. We encourage employees to have a positive attitude to risk and to understand the risks that are inherent in our business. As well as having the right tools and processes, effective risk taking requires the right culture and behaviors across our businesses.

Thai Union Group was listed on the Dow Jones Sustainability Indices (DJSI) for the seventh straight year in 2020, as its global sustainability strategy SeaChange® continued to drive change across the global seafood industry. Our world-class standards for risk management culture and processes were recognized when we received a score in the 100th percentile for Risk and Crisis Management in 2020.

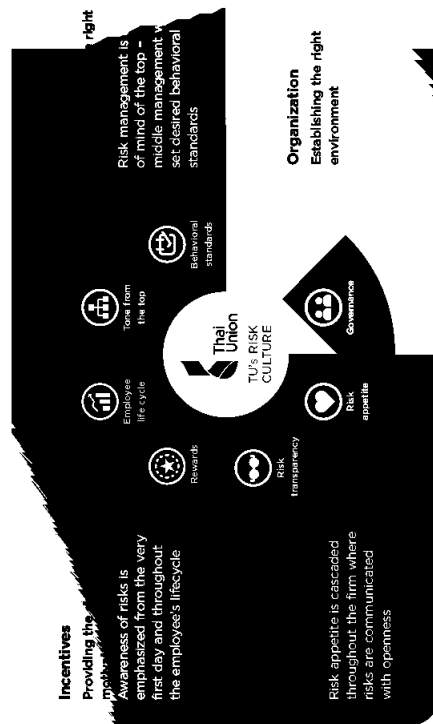
Risk Management Culture

The Company continues to embed risk culture through all levels of the business. Starting from the Company's leadership, the Board of Directors (BoD) promotes and enforces consistent and effective risk management, making it part of our organizational culture. The policy, framework, guidelines and structure of risk management demonstrate formal communication.

Employees are encouraged to have a positive attitude towards proper risk management from their first day with Thai Union. This is consistently reinforced throughout their time with the organization, such as through the new joiner program, risk management training, ongoing activities and internal news updates.

In addition, risk management is embedded in business planning, decision and execution. Examples of key areas include:

- Strategic risks are considered in the strategy planning process and during the implementation of initiatives complying with the decided strategy
- New strategic investments, including M&A, new types of business investment, and large capital expenditure are embedded in risk management. The risk profile will be reviewed by the Risk Management Committee (RMC) prior to final approval of any investment
- The Company has put in place a Group Financial Risk Management and Treasury Policy covering foreign exchange risk, interest rate risk, commodity price risk, credit risk, liquidity risk, capital management and good governance practices. The framework parameters and the acceptable risks are approved by the BoD and used as the key communication and control tools for the management and treasury team globally



Risk Management Framework

The Company's risk management framework is in accordance with the international standards of COSO ERM and ISO 31000: Risk Management. It is a guideline for management and employees to operate consistently. The framework is designed to identify, assess, manage, monitor and communicate systematically and consistently in order to minimize the probability of risks occurring and limit their potential impact on Company business.

Thai Union Group processes risk management with a two-way approach. A top-down risk assessment workshop is performed once a year by the Global Leadership Team to assess corporate risks, entities' common risks and global emerging risks at the Group level. Following this, materiality risks are defined to Group risk owners, who manage, monitor and report risk status to the RMC and the BoD every quarter. A bottom-up risk assessment then occurs in parallel

at subsidiary level. Materiality risks are managed by subsidiary-level risk owners. However, if the risk level is high and could have Group level impact, or if Group-level intervention is required, the responsibility for mitigating actions is generally determined by Group-level executives. This promotes a risk culture at all levels but also provides a channel to escalate business risks to the Group level.

Risk Appetite

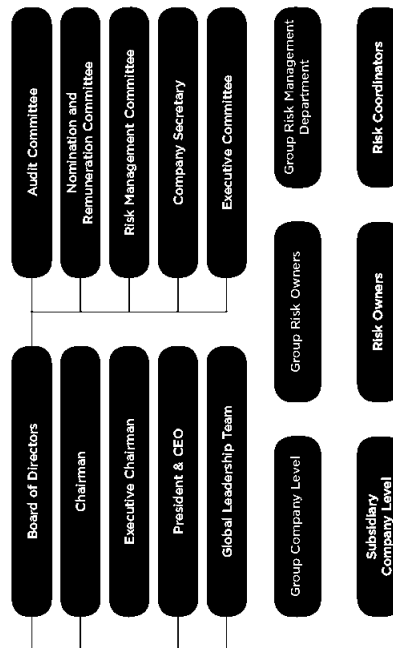
Risk appetite is an important factor to consider when Thai Union Group sets strategies and determines the direction of risk management. It is set with regard to financial and reputation impact, together with risk likelihood. Risks are defined by four risk levels: High, Medium-High, Medium-Low, and Low. High and Medium-High are considered to exceed the risk appetite and require the immediate development of additional mitigation plans.

Risk Management Organization

Risk management structure, roles and responsibilities are clearly established. The BoD has overall responsibility to ensure risk management is appropriately and effectively implemented. The RMC oversees risk management implementation, holds regular meetings and regularly reports the Company's significant risks, mitigations and improvements to the BoD.

The Group Risk Management Department coordinates and implements the risk management processes at Group level while providing advice and guidance about the risk management framework and process to subsidiaries. Risk coordinators at subsidiary level coordinate and implement risk management processes according to guidance. Management and employees are responsible for managing risks in their areas of responsibility.

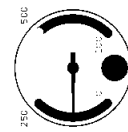
In addition, the Audit Committee (AC) oversees and monitors risk management by means of independent reviews, in order to ensure that risk management is implemented according to the policy and effectively throughout the organization. For additional information on roles and responsibilities, see the Corporate Governance Report on pages 161 - 166.



Key Risk Indicators (KRIs)

For materiality risks, Key Risk Indicators, or KRIs, are set up and closely monitor movement. KRIs provide an early signal of increasing risk exposures in various areas of the enterprise and can be lagging and leading indicators. For example, the Company uses the number of negative news stories related to labor practices as a KRI for one of the non-tariff trade barrier risks and uses the percentage of real-time goods received as a KRI for inventory management risk.

Labor Practice news



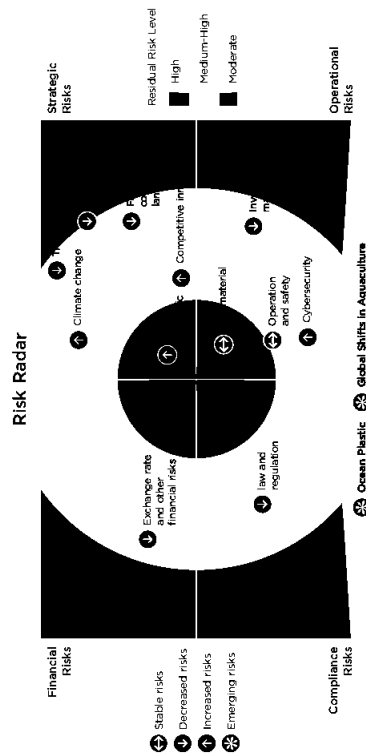
% Real Time Goods Received



Key Risk Factors

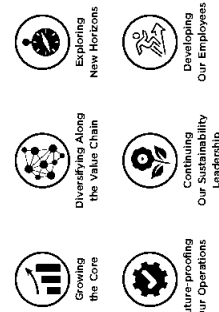
Thai Union Group is a global seafood processing Company, and its operating and financial results are subject to a variety of risks inherent in the seafood industry. The Company can prepare for many of the risks to mitigate any impact and/or minimize likelihood, however many of them are not within our control and could materially impact the Company's operations, financial position or reputation.

The risk radar below provides an overview of key business risk factors to our Group at the end of 2020. Some of the risks have remained unchanged from 2019 and so remain listed while there have been new risks identified during the Global Leadership Team risk workshop.



The tables in the following pages provide descriptions of key risks and their potential impacts, management and mitigation plans, linked to Thai Union's strategy which management and mitigation plans aim to achieve.

Six elements of Thai Union's strategy are shown below.



Link to Corporate strategy

More information can be found in Thai Union Strategy section.

Moreover, we recognize that investors are increasingly interested in Environmental, Social and Governance (ESG) factors in the investment decision-making process as they could negatively or positively impact a Company's ability to create long-term value. This is also aligned to The Stock Exchange of Thailand (SET)'s commitment to develop Thai listed firms' quality towards sustainable growth. Therefore, the table show how the management and mitigation plans support development of ESG factors.

Environmental, Social and Governance (ESG) factor



Global Pandemic	
Description and Impact	Management
In 2020, the largest health and economic crisis in recent history, COVID-19, has impacted people and economies globally. Thal Union Group, with its production plants, offices, customers and consumers around the globe, was no exception. The global pandemic led to a dramatically changing business environment. Several key risks emerged, including: 1. Risk to employee health 2. Risk to production and supply chain interruption 3. Risk to business performance and financial risk, including customer credit, FX and liquidity 4. Risk related to the public health authorities' response in each country, state, or municipality 5. Risk related to stakeholders' confidence in our company's ability to respond effectively to the challenges Fortunately, COVID-19 has not only brought us risks but also opportunities such as increased demand for healthy food from consumers during these difficult times, which resulted in some positive tailwinds for parts of our businesses. In addition to helping to maintain food supply, Thal Union was also able to contribute by providing humanitarian assistance to communities in which we operate.	In order to effectively deal with the challenges from the pandemic, Thal Union initiated its crisis response protocols and implemented Crisis Management Teams (CMTs) at both global and country level. Thal Union's top priority is ensuring the ongoing health, safety and wellbeing of all its employees, partners, suppliers, customers and local communities. In 2020, Thal Union rigorously followed all measures required by governments and local authorities and proactively implemented comprehensive safety measures across the full range of activities associated with the operations and outside the work environment, for example, temperature checks before entry to our facilities and limiting visitors, installing hand-washing or alcohol stations at entrances and in high-traffic areas, redesign of workplace and common area to have enough social distancing and protection and implementation of work-from-home and workforce clustering, where possible. Additionally, from late December 2020 when an outbreak started to rapidly spread in Samut Sakhon province until now in early February 2021, Thal Union conducted two comprehensive rounds of testing of all of our active employees in Samut Sakhon and implemented comprehensive protocols to manage any positive cases. These protocols include taking care of the affected employees while isolating them according to government guidelines, identifying and testing close, tier-1 contacts, and the deep cleaning of visited work areas. In addition, we are participating in the government-mandated "seal & bubble" program with selected factories. Regarding production and supply chain, in addition to the above-mentioned measures, all factories put in place business continuity plans at the beginning of the pandemic, which are being updated as needed. These business continuity plans include, for example, increasing production on critical items, increasing inventory for critical supplies, reviewing and updating our supplier management in order to reduce supplier risk such as high dependency on specific suppliers and developing alternative production scenarios should a factory or production line have to be closed temporarily. As of February 2021, all Thal Union's factories remain open and operational. While there has been some, temporary impact on production capacity, we do not foresee significant impact on our operations and ability to fulfill customer orders for most of our businesses.

Global Pandemic	
Description and Impact	Management
Regarding to our business performance and financial risks, Thal Union has performed stress testing across the Group to understand possible business impacts and as mitigating actions has prepared several measures to ensure business resilience. These measures aim at protecting net profit, ensuring sufficient cash flow and maintaining key financial positions to comply with covenants. Specific measures include a comprehensive cash preservation plan for cost control, close monitoring of customer credit and optimization of inventory levels. Overall, the business performance was good. There was a minor decline in revenue from frozen and chilled seafood products as demand from many food service customers was affected by lockdowns and a general decrease in on-premise consumption. Fortunately, there was favorable growth in ambient and pet care products as consumers cooked more at home and sought out healthy and affordable food products. This growth was supported by our supply chain, which was able to manage the increased demand. Finally, in line with our SeaChange® strategy and commitment to support communities where we operate as well as to support UN Sustainability Development Goals of SDG 2 – Zero Hunger, SDG 8 – Decent Work and Economic Growth, we donated our seafood products to help people who were negatively impacted as well as authorities and people who supported fighting this pandemic in many countries around the globe.	Element of Thal Union Strategy that management and mitigation plans aim to achieve Improves ESG-related factors below Maintaining Our Operations Enhancing Our Sustainability Leadership Empowering Our Employees Promoting Environmental Stewardship Contributing to Society



Raw Material	
Description and Impact	Management
Our key raw materials such as tuna and shrimp are similar to commodity prices, with no direct hedging instruments and market prices can decrease or increase rapidly.	Our sourcing strategy balances seafood stock availability with price volatility, securing continuous access to sustainable raw seafood material from reliable suppliers.
TUNA In 2020, global tuna markets continued to face price volatility and supply challenges across various species. The industry was also confronted by volatility in demand and logistics restrictions caused by the COVID-19 pandemic. Skijack tuna prices started the year at a low point but quickly saw a continued uptrend through April due to poor fishing and strong demand caused by uncertainties around the virus outbreak. Prices declined from May through July driven by improved fishing and softened demand. The market rallied again in August and reached the highest point of the year in September due to reduced fishing efforts and supply during the annual Western Pacific FAD closure, which prohibits vessels from using fish aggregating devices (FADs). Finally, the market retreated again in Q4, caused by improved fishing and softened demand in the food service sector amid the global pandemic. Prices for Yellowfin and Albacore raw material remained at high levels in the first quarter of 2020. As supply continued to improve, prices for the two species lowered and were stable in the last three quarters of the year.	TUNA The Company has a global fish procurement organization with a team of experts to enhance our strategic sourcing capability and supply chain management of fish. With centralized sourcing, the Company is able to leverage our global scale and build best-in-class sourcing capabilities. On the operational level, the team closely monitors and mitigates challenges around prices and supply that are common in our business today. This improvement has increased communication and information transparency throughout the supply chain of all Thai Union factories.

Raw Material	
Description and Impact	Management
Shrimp Thai shrimp raw material prices in 2020 were generally higher than 2019 as supply was constrained because local farms were busy containing consistent disease outbreaks (white feces, white spot, EHP, etc.) and a dimmer market outlook that caused farmers to delay cultivation and harvesting. The global COVID-19 pandemic negatively affected the food service segment in major export and local markets due to local lockdowns and social distancing requirements. Also, the strength of the local currency (Thai Baht) since the second quarter, relative to other major shrimp exporting countries, became a risk factor, further dampening Thai export prospects in 2020. When raw material prices were high in U.S. dollar terms, Thai processors and exporters were under tremendous cost and pricing pressure to stay competitive and profitable. Our U.S.-based frozen seafood unit (Tri-Union Frozen Products, Inc.) is vulnerable to raw material price fluctuations caused by supply and demand imbalance in major producing countries and its own costs of inventory. But it reduces these risks by developing highly diversified supplier and customer bases.	Shrimp To differentiate ourselves from the competition, reduce cost pressure and secure profitability, we actively invest in new processes and equipment in order to meet new customer standards and requirements through obtaining globally recognized certificates, launching new and innovative products, and initiating industry-leading sustainability programs. Strategic raw material procurement (in respect of timing and volume), which is derived from our inhouse view and intelligence on the supply and demand balance within Thailand, helps keep our pricing competitive. Also, programs of process automation with an aim to reduce reliance on labor and improve productivity and consistency in product quality were also implemented with the ultimate objective to offset the negative impact of the Thai Baht's strength on our product costs. To reduce an over-dependence on certain markets, we diversify into new export destinations, such as Asian countries, in addition to the Thai market. We also partner with major customers through exclusive supply contracts over an extended period of time to ensure stable pricing and business volume.

Raw Material	
Description and Impact	Man
Salmon The global 3-6 kg salmon price annual average in 2020 was generally lower than 2019 due to COVID-19 and the closure of food service, driving demand down, especially from China. In terms of supply, there were few supply shortages except in the last week of 2020 from Scotland due to BREXIT.	Salmon We keep following our strategy which allows us to react faster according to the trends through hedging together with keeping good flexibility Moreover, we apply a tracking tool to follow the main drivers in order to adapt our strategy if needed.

Element of Thal Union Strategy that management and mitigation plans aim to achieve



Improves ESG-related factors below

Operation and Safety	
Description and Impact	Man
In every production facility, the Company faces various potential risks, starting from sourcing raw seafood materials to processing and manufacturing finished products. These risks involve, for instance, the health and safety of employees, major damage to a plant, food quality, cost control and inventory management. These risks could directly or indirectly affect production, sales targets and ultimate corporate goals. Key areas for continuous improvement include: • Safety at plants • Cost productivity • Food safety • Food quality to meet the increasing sophistication of consumer demand in quality and nutritional requirements.	Thal Union Group focuses on operational excellence and recognizes the Importance of Continuous Improvement discipline. Regarding safety risks, we regularly conduct a risk assessment for each production plant as risk profiles change over time (both man-made and natural disaster), as well as constantly assess the gap against our safety standards. Several management engineering and management mitigation programs were put in place, for example the development of a master plan which includes standardized practices and needed investment, especially risk reduction programs for fire and ammonia. Moreover, we have strengthened our new-project investment and changes in plant design, construction, equipment, machinery and others that could create Safety, Health and Environment (SHE) risks, to ensure proper integration of SHE considerations before investment approval. In terms of cost productivity, we put in place structured programs and dedicated CAPEX to increase productivity across the Group. For example: automation process, Total Productive Maintenance program, Labor Optimization Continuous Improvement program, increasing the percentage of RTT (right first time) in our production. For food safety and quality, our Quality Management System is the platform which we deploy globally to ensure consistent food safety, compliance with quality standards and to create value for consumers. Our Internal Quality Management System is constantly being audited and verified by independent certification bodies to strictly conform to internal, and international standards, laws and regulatory requirements. Several of the food quality and safety accreditations or certifications the Company has obtained are, for example: ISO9001, ISO14001, TIS18001, BRC, BAP, GMP, HACCP, Halal, Kosher.

Element of Thal Union Strategy that management and mitigation plans aim to achieve



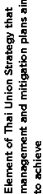
Improves ESG-related factors below

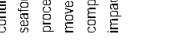
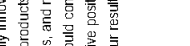
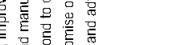
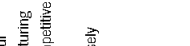
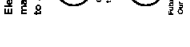
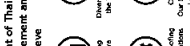
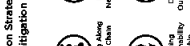




Law and Regulation	
Description and Impact	Management
Our business is subject to a wide variety of laws and regulations across all the countries in which we do business, including laws and regulations around intellectual property, product liability, marketing, antitrust, trade competition, environmental employment, anti-bribery or anti-corruption, data protection and privacy and other matters. In recent years, data privacy or data protection laws have gradually come into force including nearly every country in Europe and many in Latin America, Asia and Africa. Key laws and regulations here are GDPR for Europe and PDPA for Thailand. For the U.S., in addition to federal laws and regulations that relate to information, the U.S. also has many data privacy and security laws among its states. For Thai Union Group, which has facilities, employees, customers, suppliers and visitors around the globe, this will pose a challenge for data privacy control and management. International data transfers and development of cybercrime have increased risks exponentially and will require new security measures in networks, internet infrastructure, people knowledge and work process. Failure to comply or not being aware of changing laws and regulations and related interpretations could lead to substantial fines and penalties and have a negative impact on Thai Union's financial performance and reputation.	The Company has a global legal and compliance function to monitor the development of laws and regulations and also provide regular updates to supervisory authorities. To ensure we understand and take appropriate actions to remain compliant, the Company has established policies, provides guidance where necessary and trains related employees on all important matters. The Company continued to train and increase our employees' awareness of the laws and regulations the Company has to comply with, as well as update them on upcoming laws and regulations. Regarding data privacy or data protection laws, we have awareness of the development of data privacy and information security laws around the globe. We put in place several measures to ensure compliance to those laws and regulations as following: • A compliance strategy which is comprehensive, integrated, and centralized for achieving data privacy and information security compliance • Prepared compliance experts in order to understand laws and regulations thoroughly • Established data protection policies and procedures • Inventoried and assessed collected personal and sensitive information • Developed an emergency response strategy and plans To update on the Antitrust Litigation case as of 11 January 2021, Tri-Union Seafoods LLC (Tri-Union), a Thai Union Group subsidiary which was accused in 2017 of involvement in anticompetitive activity in the U.S. tuna market, has reached an agreement in principle to settle the remaining antitrust litigation cases. At this stage, all that remains is final court approval of the settlement agreement negotiated and concluded by the parties. The settlement of these remaining antitrust litigation cases brings to an end the antitrust litigation cases in the U.S. against the Company and Tri-Union. If this litigation case is successfully closed, the Company's risk related to compliance will be significantly lower than the prior year.



Competitive Innovation	
Description and Impact	Management
Our revenue relies on the continued global demand and needs of customers. Achieving our business results depends, in part, on successfully developing, introducing and marketing new products to meet customers' expectations that could change over time. Several changes during recent years that could be risks include: • Consumer behavior shifting to more on-line shopping and bring-in service, especially after COVID-19 • Dramatic demographic shift which may lead to a change in product preference • Change of consumer trends to focus more on global sustainability and healthy food The Company must be able to successfully address the changes and developments. Failure to continually innovate, improve our seafood products and manufacturing processes, and respond to competitive moves could compromise our competitive position and adversely impact our results.	In order to respond to this strategic risk and pursue business opportunities, the Company has governance and processes in place to understand up-to-date market trends, short- and long-term strategy planning reviews, strategy risk management reviews and robust strategic initiatives to capture opportunities and mitigate risks. There were several investments during 2020 to drive competitive innovation; for example: • Continued to enhance our research and development through our Global Innovation Center to develop game-changing solutions for enhanced consumer satisfaction, shared value, and sustainability • Continued to invest through our corporate venture fund to drive food-tech innovation. Several investments were made in 2020; for example, in a diabetes food-tech innovation firm, an insect technology and e-commerce Company, an aquaculture technology operation, a cell-based seafood startup. • Established a joint venture Company "Interpharma-ZEAvita Co., Ltd." to focus on healthy products that promote wellbeing • Introduced healthy and sustainability marine ingredient products, for example – "UniQ™BONE" bone powder, ZEAvita bone powder, ZEAvita - ZEAssen Boost, ZEAvita – tuna oil Element of Thai Union Strategy that management and mitigation plans aim to achieve            



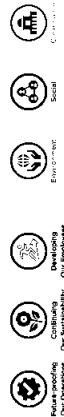
Cybersecurity	
Description and Impact	Management
The changing dynamics of work brought on by environmental factors such as COVID-19 have forced our business to increasingly rely more on technology and collaboration and this has a net impact on cybersecurity as the threat landscape becomes more sophisticated and attacks become opportunistic. Cybersecurity risks can manifest themselves by making critical infrastructure and software unavailable. At worst, unauthorized access or misuse of data could compromise highly sensitive and confidential data. The risk could result in a financial impact where we are unable to fulfil customer orders, increase our cost of operation and incur fines and penalties from regulatory bodies. This could result in loss of reputation and confidence from our stakeholders.	Thal Union has undertaken a holistic review of IT security across all layers - from governance, structure, policy, technology, to people and processes to prepare for cybersecurity risk management. The Group Information technology department responsible for implementing our IT policy has put in place measures which it enforces strictly across the business in order to protect the Company's assets and personal data. In 2020, we took several important steps forward to mitigate cybersecurity related risks. These include: - We performed an ERP SAP system security assessment to review and revise user authorization - We deployed a global platform and process "Infosec security monitoring" to monitor security alerts and incidents for speedy resolution by IT functions - We continued to strengthen security protection by enforcing password security, enforced Multi-Factor Authentication for all corporate phone users where applicable, - We are implementing advanced email filtering solutions to safeguard against unsolicited email - We are implementing brand explicit protection to protect stakeholders from phishing campaigns using domains similar to Thalunion.com - We have put in place a Disaster Recovery plan for key applications - We strive to continuously create user awareness of cybersecurity through training, road shows and top-down communication of the importance of security in the Company

Element of Thal Union Strategy that management and mitigation plans aim to achieve



Climate Change	
Description and Impact	Management
The global climate has shown increased rapidity of change in recent years, which has exacerbated extreme weather events. In 2019 and 2020, the world's oceans saw their warmest years on record, which had an immediate and serious impact on not only the oceans but also the marine species and aquaculture production on which we depend. Severe weather and natural disasters which are associated with climate change include floods, droughts and tsunamis, as well as ocean warming and acidification, which could all impact our production, raw material supply and human resources.	Thal Union operates with a strong commitment to respect and responsibility, showing a duty of care to our workers through responsible operations. We have a number of initiatives in place that contribute to water reduction, waste to landfill reduction, greenhouse gas emission reduction and monitoring natural disaster hazards and water risk management. We want everyone that works at Thal Union to play an active role in delivering against our environmental and safety goals. We see safety and environmental protection as everyone's business. We are in the process of setting our 2025 environmental goals as well as Science Based Targets (SBT). We also aim to increase our energy efficiency. Towards this goal, we have implemented a number of initiatives, including: - Becoming the first food producer and Thailand-listed Company to join the EP100 Cooling Challenge, a Climate Group global initiative on smarter energy use - Continued initiatives: Project Sunseeker, which looks to place solar panels on our factories, solar rooftops at plants, reusing and recycling of water in our production processes, using fertilizer made from wastewater sludge for planting trees, and recycling contaminated plastic that previously would have gone to landfill.

Element of Thal Union Strategy that management and mitigation plans aim to achieve



Exchange Rate and Other Financial Risks		
Description and Impact	Man	
With a presence in a large number of countries, the Company is exposed to a variety of financial risks coming from foreign exchange, interest rates, liquidity, trade receivables, counterparty risk, investment and borrowing activities. The risks are primarily: 1. Foreign exchange risks on commercial flows, financing/investing activities, net investments in foreign subsidiaries and raw materials we purchased in a foreign currency 2. Interest rates risk on borrowings 3. Credit risks on financial and commercial activities In 2020, there were significant uncertainties from the COVID-19 pandemic, Brexit development, Trade tension, Political unrest in Thailand and the U.S. Presidential Election. These events created financial risks, especially regarding foreign exchange fluctuations. COVID-19 influenced currencies when countries were hit by COVID-19, which then changed relative expectations of the country's future economic growth. There were also impacts due to the pandemic affecting the core financial risks e.g., credit risk, market risk, operational risk, and liquidity risk. Brexit also led to currency fluctuations for the GBP against the EUR and USD and impacted John West's import costs and product pricing as well as translation effects.	The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures to stabilize future earnings. The Financial Risk Management Policy is carried out by the Group Executive Committee. The Group's policy includes areas such as foreign exchange risk, interest rate risk, liquidity risk, counterparty credit risk, raw material risk and operational risk. The framework parameters are approved. 1. For foreign exchange risk, the Company's policy and strategy to manage risks are as follows: • For trading activities, the Company used natural hedging and entered into forward to cover a certain percentage of risks, which is dependent on the profile of risks in different businesses • For all borrowing, lending, or placing deposits in foreign currencies where those currencies will be used, 100 percent hedging on foreign exchange risks is a must. • For equity investments where the returns can be expected from dividend payments or recapitalization, the decision of hedging on equity investments will be centralized and decided by the Group Executive Committee. 2. For interest rate risk, the Company manages or caps portions of borrowing by using interest rate derivatives to achieve an acceptable targeted level of fixed/floating rate net borrowing. 3. For counter party credit risk, the Company has policies, procedures and controls to minimize the risks, while trade insurance and credit limits have been bought for most customers. In addition, the Company has implemented a contingency funding plan and account receivable monitoring and AR risk mitigation plan through AR insurance or AR factoring. This is led by the Cash Preservation Team so that the Company will be able to follow up and closely monitor situations during the COVID-19 pandemic.	

Exchange Rate and Other Financial Risks		
Description and Impact	Man	
The fiscal and monetary policies as well as the foreign policies of the U.S. administration had a significant impact on foreign exchange and led to a weakening of the USD against all other key currencies that the Company has businesses in i.e. EUR, JPY, GBP and THB. Despite the COVID-19 pandemic and following the financial crisis, the replacement of benchmark interest rates, namely the London Inter-Bank Offered Rate (LIBOR) and other impacted interbank-offered rates (together with LIBOR, the 'IBORs') has become a priority for global regulators. Many uncertainties remain but the roadmap to replacement is expected to be mostly completed by the end of 2021 to ensure that financial statements best reflect the economic effects of IBOR reform.	The transition of IBORs is an ongoing process that the Company is aware of. The changes are limited to the IBORs and may impact the Company depending on the reference rates used in the loan instruments, lease contracts, bonds, derivatives, and hedge accounting. As a result, the Company has considered transitioning the financial instruments and the hedging derivatives to the relevant replacement benchmark at the same time, as well as to adhere to the ISDA 2020 IBOR Fallbacks Protocol to be applied for the existing derivative contracts. See more detail on financial risk management in Note 6 to the financial statement on page 230 – 240.	Improves ESG related factors below

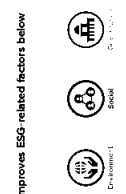
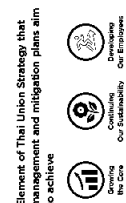
Emerging Risk		
Ocean Plastic		
Description and Impact	Mitigation	

Ocean plastic is a global issue which has been growing in prominence in recent years, raising concerns among not only our stakeholders, but customers and consumers globally. Ocean plastics can have a significant impact on the health and resilience of the oceans, thereby impacting the livelihoods and potentially the health of those people who depend on them.

Thal Union has continuously implemented a number of initiatives to reduce marine litter and abandoned, lost and discarded fishing gear (ALDFG), including joining forces with the Global Ghost Gear Initiative (GGGI). We are currently looking at ways to make our product packaging more environmentally friendly and have committed to ensuring 100 percent of our branded packaging is reusable, recyclable or compostable and 30 percent average recycled content in our branded packaging by 2025. We also regularly engage our staff and communities on waste minimization, recycling and appropriate disposal of waste.

One of SeaChange® initiatives in 2020 also promoted our SEALCOT brand in enhancing sustainable packaging of TUNA Spread from plastic to paper.

From 2019, our teams around the world took part in a number of initiatives to constantly help protect combat ocean plastics and marine litter. These included the #GhostGearBorn dive, which took place in Thailand in collaboration with the GGGI. Additionally, we have carried out a series of beach and canal clean ups by teams around the world, including across Europe by John West offices in the UK, Ireland and the Netherlands. Sealac employees also came together to clean Ban Pe Beach on Thailand's east coast, and Marebui employees joined volunteers from Legambiente to clean the Cascina Mulini Ascutti inside Monza Park.



Emerging Risk		
Global Shifts in Aquaculture		
Description and Impact	Mitigation	

Aquaculture was largely viewed as a sustainable way to relieve pressure on wild stocks of fish and provide protein to the world's population. However, there have been several developments that could have an impact on demand, supply, and cost.

Adaptive measures:

- The Company is aware of this emerging risk and will further conduct analysis in 2021 in order to better evaluate risk, financial impacts and respond accordingly. Meanwhile, we continue to monitor and are alert to risk events, and review future adaptation measures to minimize financial loss
- The Company has governance and processes in place for up-to-date market trends, short- and long-term strategy planning reviews, strategy risk management reviews and robust strategic initiatives to capture opportunities and mitigate risks
- The Company continued to invest in food-tech companies for open innovation. In 2020, we invested in an aquaculture technology Company based in Germany and Thailand "HydroNeo GmbH", which we believe also supports as a mitigation to this risk





for consumers. "Healthy Living, Healthy Oceans" will allow us to continue to evolve SeaChange®.

While COVID-19 caused significant disruption to businesses around the world last year, including Thai Union, we maintained our focus on pursuing our sustainability goals and setting the standards for the rest of the industry to follow. In 2020, Thai Union was proud to have been listed on the Dow Jones Sustainability Indices (DJSI) for the seventh consecutive year. With continuous year-on-year improvement and an increase in our overall score, we were ranked second in the world on the Food Products Industry Index. While COVID-19 had an impact on Thai Union's operations, we continued to implement programs and policies to further progress on sustainable development. We also continued to work with the broader seafood industry and civil society, and where COVID-19 prevented us from meeting stakeholders face-to-face, we remained engaged by participating in a series of webinars and panels in markets around the world.

We think of SeaChange® as a journey that covers every aspect of the seafood business, transparently. This ranges from how we look after the oceans to how we manage our waste, from the responsibility we take for our workers to building brighter futures for the communities around our key sites.

The backbone of our sustainability strategy is the ability to fully trace our seafood – from catch to consumption. With full traceability in place, we will be able to identify, investigate and improve performance on key issues such as labor and responsible sourcing.

As one of the world's largest seafood companies, we recognize that we have both the responsibility and the capacity to be a leader for positive change. We understand how critical ocean-based solutions are to climate change and reducing global greenhouse gas emissions. The oceans are, of course, the foundation of our business and healthy oceans are critical for the future of the planet and in combating climate change.

In 2020, as part of our ongoing commitment to tackling climate change and its impact on the world's oceans, Thai Union became the first food producer and Thailand-listed company to join EP100, a Climate Group initiative on smarter energy use.

Overview

Sustainable development is essential to the future of Thai Union's business and our growth; it is fundamental to being a responsible corporate citizen for both our employees and our global community. Being transparent, not only showcasing our achievements, but highlighting the areas we have identified for improvement, is fundamental to our vision of being the world's most trusted seafood leader.

We have a responsibility to set the standard for social, environmental and economic performance across our operations and into our supply chains. Recognizing this responsibility to show leadership, we heeded the calls of our stakeholders with SeaChange®, Thai Union's sustainability strategy with measurable commitments to delivering real, lasting changes in the way we operate.

SeaChange® aims to drive a positive transformation throughout the global seafood industry. We are also committed to "Healthy Living, Healthy Oceans", recognizing the role that the oceans and seafood play in combating ongoing challenges such as climate change, as well as providing healthy, nutritious diets

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA



Listed on the Dow Jones Sustainability Indices (DJSI) for the seventh straight year, and ranked second in the world on the Food Products Industry Index, as our sustainability strategy SeaChange® continues to drive change across the global seafood industry.



Sustainability Disclosure Award from ThaiPat Institute and Thailand's Securities & Exchange Commission (SEC).



Thai Union Group PCL's Group Director, Sustainability, Dr. Darian McBain was named to Fast Company's Most Creative People in Business for 2020 in recognition of her adoption of innovative technologies to transform the global seafood industry.

Became the first food producer and Thailand-listed company to join EP100, a Climate Group global initiative on smarter energy use



Recognized for our global initiatives to deliver against the United Nations Sustainable Development Goals (UN SDGs) at the Responsible Business Awards 2020, Thai Union received the SDG Impact Award.



Received the Human Rights Award 2020 in the private sector category from the Rights and Liberties Protection Department of the Thai Ministry of Justice.



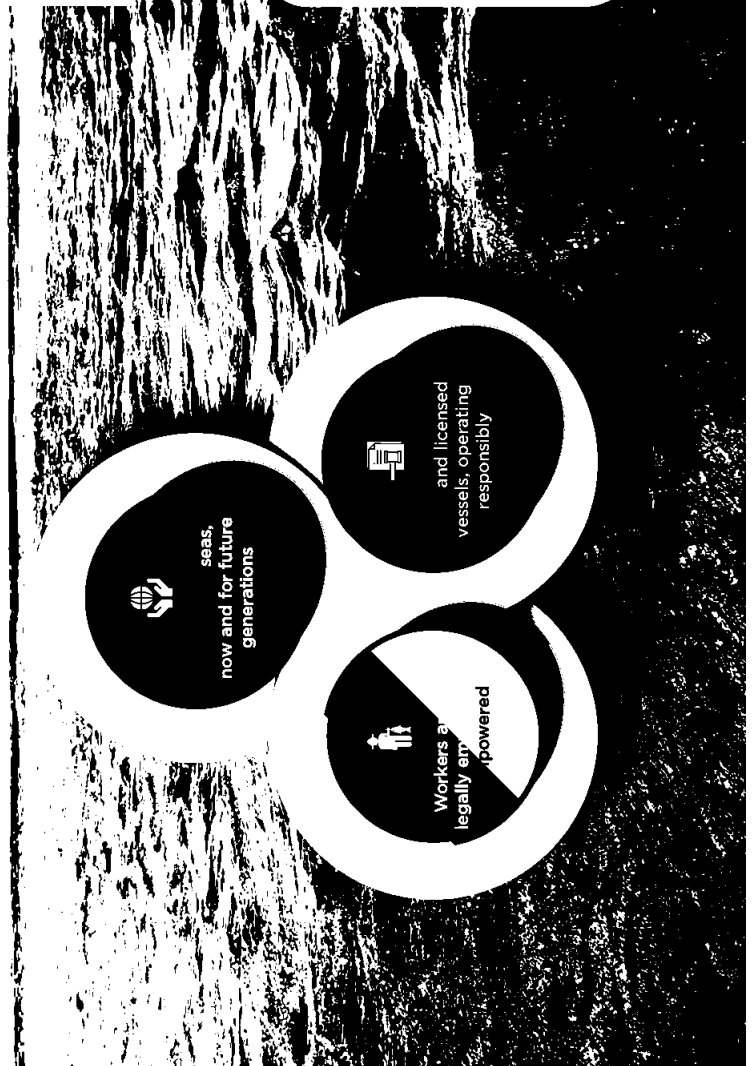
Sponsored the Thailand Sustainability Expo 2020 (TSX) with key partners including GC and ThaiBev to raise social awareness around the importance of sustainable development

2020 marked the end of the first five years of SeaChange®. The journey has been challenging but at Thai Union we're proud of what we have achieved, from working to ensure our seas are more sustainable, to introducing policies that make sure our workers are safe and legally employed, to working with the vessels we source from so that they are legal and operate in a responsible way. As we look forward to the next

five years of SeaChange®, we will introduce a new objective of 'Combating climate change and promoting healthy diets through sustainable seafood' as we continue to pursue policies that can drive change throughout the seafood industry. As part of our commitment to addressing climate change, we will also make a commitment to UN Sustainable Development Goal 13 – Climate Action.



seachange



OUR PROGRAMS

Responsible Operations	Responsible Sourcing	People & Communities
 The way we operate must be environmentally responsible and show a duty of care for our workers.	 Traceability is the key to improving the transparency and operational practices of the entire seafood supply chain.	 At Thai Union we take responsibility for improving the lives of those living and working in the regions in which we operate.
Providing safe, legal and freely-chosen employment in our own facilities and in supply chains is critically important to Thai Union.	Responsible Sourcing Goals and Roadmap	People and Communities Goals and Roadmap

SeaChange® is an integrated plan of initiative, organized into four programs, to drive meaningful improvement across the entire global seafood industry.

OUR OPERATING PRINCIPLES

Good Governance

Robust leadership, policies and processes ensure our business is focused on delivering our sustainability objectives and is ethical across all our operations.

Transparency

We will remain transparent in all communications with stakeholders, customers and the industry, sharing our learnings and providing regular updates on our progress.

Partnerships and Collaboration

We have and will continue to actively seek out NGOs, governments and industry partners to work with us on initiatives designed to deliver against our overarching objectives. We will continue to share our findings so the entire industry can benefit from our experience and findings.

UN Sustainable Development Goals and UN Global Compact

While this work is designed to have a positive impact on the seafood industry, the milestones we achieve under our programs will also deliver against the United Nations (UN) Sustainable Development Goals (SDGs) and is guided by our commitment to the UN Global Compact (UNGC). In line with SeaChange®, Thal Union is focused on delivering against the UN Sustainable Development Goals, with actions delivered against three in particular, contributing to broader societal change in areas where we can have direct influence, including:



The need to combat hunger and produce seafood ethically is ongoing. Technology advances mean we have many more tools at our disposal to ensure all our food is produced sustainably and that we are continuously working to maintain fish stocks for generations to come.

Aside from the three SDGs mentioned above, our work also contributes to the realization of other UN SDGs, such as Goal 13 on Climate Action and Goal 17 on Partnerships.



Human Rights

- 1 Thal Union will support and respect the protection of internationally proclaimed human rights; and
- 2 Make sure that they are not complicit in human rights abuses

Labor Standards

- 3 Thal Union will uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 The elimination of all forms of forced and compulsory labor;
- 5 The effective abolition of child labor; and
- 6 The elimination of discrimination in respect of employment and occupation.

Environment

- 7 Thal Union will support a precautionary approach to environmental challenges;
- 8 Undertake initiative to promote greater environmental responsibility; and
- 9 Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- 10 Thal Union will work against corruption in all its forms, including extortion and bribery.

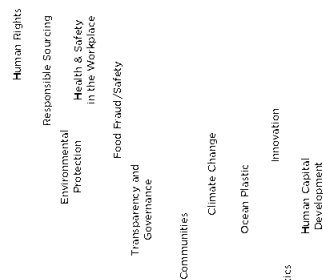
Material Issues and Stakeholders Engagement

Materiality in Risk Assessment

One way Thal Union assesses its materiality is through our risk management procedure. Through reviewing activities and partnerships, assessing forthcoming legislation and the implementation of regulations, customer preference and feedback, as well as media profile and risk, Thal Union continuously monitors the materiality of issues and the impact they have on our internal risk profile and those risks are then presented quarterly to the Risk Management Committee. It is important to us that we not only address the issues that we understand are important to us as a global seafood leader, but that we are also tackling the issues that are of greatest importance to our stakeholders and partners around the world.

Materiality Matrix

IMPORTANCE TO STAKEHOLDERS



IMPORTANCE TO BUSINESS SUCCESS

The top issues in our Materiality Matrix closely follow the pillars of Thal Union's SeaChange® strategy, with Human Rights and Labor Protection and Responsible Sourcing continuing to be the top priority. Thal Union is also continuing to work to address these material issues with academia, with the nine other largest seafood companies in the world through the Seafood Business for Ocean Stewardship (SeabOS), and with external organizations such as the Global Ghost Gear Initiative (GGGI) to tackle the growing problem of ocean plastics. We are also constantly working towards an improved environmental performance, including reducing our carbon footprint and greenhouse gas (GHG) emissions. These issues will remain key priorities for Thal Union for the next decade and beyond of SeaChange®.

Given Thal Union's global scale of operations, our material issues and impacts are complex and transcontinental. Through a materiality assessment, we have analyzed our worldwide operations to identify and prioritize the most important issues to our stakeholders and our business as a whole. Thal Union regularly engages with our key stakeholders, allowing us to understand and prioritize our sustainability risks and define appropriate responses to emerging corporate challenges. This includes conducting a stakeholder engagement process to review and input on our 2025 SeaChange® goals, the outcome of which is outlined below:



Feedback from Thal Union's Stakeholders

Our Stakeholders	Issues	Thal Union Responses
Investors	• Improvement of business performance • Good governance • Transparency of information	• Transparency and governance (anti-corruption, data disclosure, tax policy and reporting) • Investor Relations Communications team, quarterly face-to-face investor updates with sustainability briefing • Climate change and environmental protection
Suppliers	• Fair trade • Consistency expectation • Increasing orders	• Responsible sourcing (traceability, viability) • Vessel Code of Conduct • Supplier audits and capacity building
Customers	• Product quality (health and nutrition) • Eco-labelling (e.g. MSC, dolphin safe, ASC, BAP, carbon footprint of products)	• Innovation and product responsibility (quality, food safety) • Increased customer communication and face-to-face meetings on sustainability held globally • Offering more sustainable alternatives to meet customer demand
End-consumers	• Eco-labelling • Competitive price • Food safety • Product quality (health and nutrition)	• Responsible sourcing • Climate change and environmental protection • Updates on GGGI partnership, our Tuna Commitment, Sourcing Transparency report with WWF • Innovation and product responsibility (quality, food safety)
Employees	• Social and environmental responsibilities • Eco-labelling (e.g. MSC, dolphin safe, ASC, BAP, carbon footprint of products) • Fair compensation and benefits • Fair labor practices • Safety and wellness • Career development and opportunity • Work-life balance	• Responsible sourcing • Can trackers and traceability data as well as product information • Human rights and fair labor practices • Human capital development • Management program • Global program of harmonization of work standards • Brand ambassador program and Thai Union Global rollout

Our Stakeholders	Issues	Thal Union Responses
Daily/Migrant workers	• Fair compensation and benefits • Fair labor practices • Safety and wellness	• Human rights and fair labor practices • Human capital development
Communities	• Legal compliance	• Transparency and governance (anti-corruption, data disclosure, tax policy and reporting)
	• Social and environmental responsibilities • Partnership in community development • Socioeconomic development	• Nutritional information • Communities
Government	• Legal compliance • Participation in government programs	• Transparency and governance (anti-corruption, data disclosure, tax policy and reporting)
NGOs	• Social and environmental responsibilities • Marine conservation • Participation in social and environmental programs	• Climate change and environmental protection • WWF Sourcing transparency report
	• Transparency of information	• Transparency and governance (anti-corruption, data disclosure, tax policy and reporting) • TUE transparency report
International Organizations	• Regulatory compliance • Transparency of information	• Transparency and governance (anti-corruption, data disclosure, tax policy and reporting)
	• Social and environmental responsibilities • Transparency of information	• Joint workshops such as with the ILO Communities
Academia	• Social and environmental responsibilities • Marine conservation • Participation in social and environmental programs	• Climate change and environmental protection • Communities • Collaboration with Stockholm Resilience Centre through SeaBoS • Collaboration with University of Sydney
Media	• Transparency of information • Timeliness of information	• Transparency and governance (anti-corruption, data disclosure, tax policy and reporting) • Engagement on material issues



Environment Policies

Thal Union has many initiatives in place to help ensure we operate responsibly and manage some of our most material issues. In line with the UN Sustainability Goals, we are focused on UN SDG 13 for Climate Action, with our goals set under the Responsible Operations pillar of our SeaChange® strategy.

Global environmental risks such as climate change, resource consumption and waste management have an increasingly negative impact on our oceans which, in turn, threatens the marine species on which we depend. The way we operate has to be environmentally responsible and also show a duty of care for our workers in how we operate. Thal Union is committed to protecting the environment by minimizing our consumption of natural resources, reducing the adverse impact on the environment.

We have initiatives in place that contribute to water reduction, energy consumption reduction, increasing renewable energy consumption, waste to landfill reduction, reducing greenhouse gas emissions and improving the environmental performance of packaging.

Packaging is an important component of any product and contributes significantly to a Company's overall environmental impact. By developing and implementing sustainable packaging initiatives, our environmental footprint is reduced. By exploring sustainable packaging in our Innovation research, we ensure a continuous pipeline of improvements, which will help achieve Thal Union's goals for carbon footprint reduction and environmentally friendly packaging. Thal Union has made a sustainable packaging commitment that by 2025, 100 percent of our branded packaging is reusable, recyclable or compostable. We have also committed to having an average of 30 percent recycled content in our branded packaging by 2025.

With a commitment to "Healthy Living, Healthy Oceans" Thal Union is also working to address the issue of ocean plastics. Abandoned, Lost and Discarded Fishing Gear (ALDFG) or Ghost Gear, represents a threat to animals in our oceans because it has the potential to reduce fish stocks, damage



advances in our occupational health and safety policies, continually strengthening our safety standards, procedures and processes.

Last year, Thal Union also published its UK Modern Slavery Act Transparency Statement 2019, which covered the period up to 10 July 2020, in compliance with the requirements under the UK Modern Slavery Act 2015. In 2020, we also introduced Thal Union's Non-Repatriation Policy, which is designed to encourage and enable the Company's entire workforce – including employees, officers, directors, contractors and temporary workers – to voice their concerns, seek advice, file a complaint or grievance, testify or participate in investigations, proceedings or hearings, without fear of retaliation.

With the onset of COVID-19 in 2020, the health and safety of our employees was Thal Union's number one priority. The Company implemented strict monitoring systems and preventive measures globally, including strict testing and contract tracing regimes, site separation policies to lower the risk of cross-contamination across Thal Union work sites, restricted business travel to lower the risk of infection, and work from home guidelines to help employees remain productive but safe.

Under our People & Communities pillar, Thal Union is committed to helping improve the lives of those living and working in the regions where we operate. This includes cleaning marine environments, working to end hunger through food donations and humanitarian aid to disaster-struck communities, to educating children and providing nutritional information to consumers and local communities. In 2020, with the spread of the COVID-19 pandemic, Thal Union responded by making donations to communities around the world, including food from SEALECT and FISHO in Thailand, KING OSCAR tuna to hospitals in China, protective medical equipment donated by Thal Union's MerAlliance and PETIT NAVIRE in France to local hospitals, JOHN WEST food donations in the UK to support the Age UK elderly community, and Chicken of the Sea® donating more than 500,000 servings of food to hunger relief in the U.S. We also work with partners to provide work education, including health and safety training. Last year, Thal Union opened its fifth preschool in Samut Sakhon to help the children of

We continued to make progress towards our greenhouse gas intensity reduction target. In 2020, we reduced our greenhouse gas intensity emissions by 28 percent.

Policies on Social Sustainability

Providing safe, legal and freely-chosen employment for workers in our own facilities and in our supply chains is critically important to Thal Union. We want to consider how we can meet or exceed international frameworks such as the UN Guiding Principles on Business and Human Rights, legislation such as Modern Slavery Acts and most importantly, ensure that people have safe and legal work to help them fully participate in society.

Thal Union also knows that full traceability of all our seafood products, from catch to consumption, will help accurately identify gaps in safe and legal labor and, critically, give workers a voice. We are committed to this work and to helping the industry deliver against UN SDG 8, aiming to provide decent work and economic growth for communities and individuals throughout the world. We also strive to make

habitat and kill millions of animals every year. So, in 2018 Thal Union joined the Global Ghost Gear Initiative (GGGI) in a drive to help reduce the growing issue of Ghost Gear. We have made a commitment to ensure safer, cleaner oceans by driving economically viable and sustainable solutions to the problem of ghost fishing gear and marine litter globally. In support of this, our employees around the world have participated in a series of beach, canal and park clean-ups in their local communities.

In 2020, Thal Union became the first food producer and Thailand-listed company to join EPI100, a Climate Group global initiative on smarter energy use. As part of Thal Union's commitment to tackle climate change and its impact on the world's oceans, the Company set a goal of doubling its energy productivity by 2041, from a 2016 baseline.

In 2020, we exceeded our 2020 targets for water consumption reduction and waste to landfill reduction. We have reduced our intensity of water withdrawal and waste disposed to landfill by 26 percent and 69 percent respectively, compared with 2016 levels.

migrant workers prepare for the Thai education system. Education also supports the United Nations Sustainable Development (UN SDG) goal 8.

Supply Chains

Thal Union is committed to sourcing transparency in its supply chains. The seafood industry is complex, whether looking at wild-caught or aquaculture fisheries. Given the complexities of the seafood industry, we recognize the importance of proactively addressing both emerging and ongoing issues in our dynamic business environment. Supply chain management is at the heart of the Responsible Sourcing program within SeaChange® and is vital to the effective and successful management of our business.

Traceability is the key to improving the transparency and operational practices of the entire seafood industry. With traceability in place, we can track every product – from catch to consumption – and we can ensure our suppliers abide by the same sustainability commitments as Thal Union. Without full traceability of our supply chain, we cannot begin to understand its risks. As such, we refer to traceability as the backbone of SeaChange®.

Our Responsible Sourcing program focuses not only on traceability, but also engagement. Last year, we introduced our Policy for the Responsible Sourcing of Tuna as part of our strategy to be actively involved in implementing activities to drive continuous improvement of sustainability aspects in our supply chains. We view our suppliers as partners, and we support and encourage them to meet the high standards our customers and other stakeholders expect. In 2020 we continued to work with the Global Dialogue for Seafood Traceability, supporting trials of the GDST Standard 1.0 in our wild capture and aquaculture supply chains, as well as testing standards of interoperability.

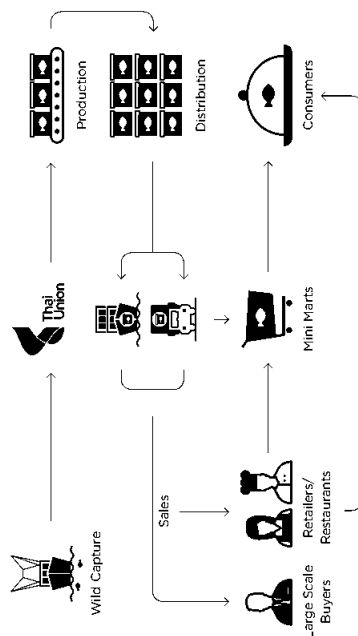
Our supply chain management primarily focuses on the sourcing of raw fishery and aquaculture materials as these processes have the highest potential to carry risk. But we also recognize the need to manage our supply chains for a range of other categories – from packaging to non-seafood ingredients to logistics. Thal Union continued to work with

our partners to deepen our understanding and approach to responsible sourcing.

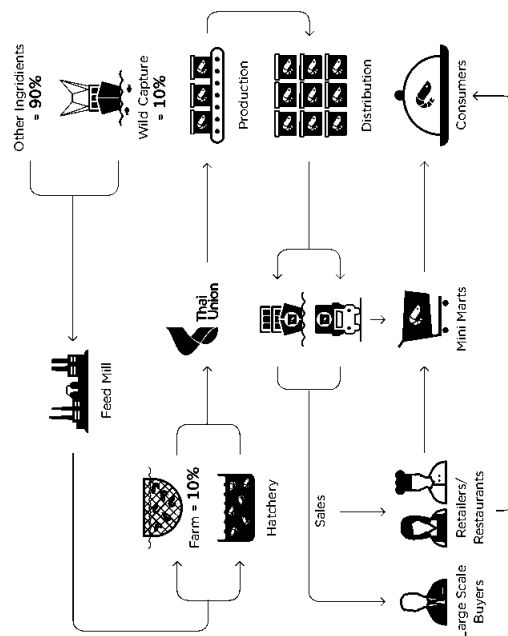
Between August 2018 and November 2020, Thal Union worked with third party audit consultants to complete assessment of vessels that we source from against the Vessel Code of Conduct. The scope was focused on tuna procurement and Thailand and has covered a range of gear types including purse seine, pole and line and longline vessels located across the Pacific, Atlantic and Indian Oceans. The program so far has interviewed more than 850 crew, audited over 180 vessels, audited over 40 of our suppliers and successfully developed new protocols to allow the continuation of auditing work post-COVID-19. At the end of 2019, Thal Union signed an MOU with their customers Nestle, The J.M. Smucker Company and Mars Petcare, to collaboratively fund projects to improve the working conditions of fishermen on vessels.

We continue to work hard to drive strong, positive change throughout many parts of the seafood industry, including delivering improvements in our supply chains for the benefit of our oceans and marine life, and for the rights of people working in the seafood industry. We have implemented policies throughout the value chain to deliver value to stakeholders. Examples of this include traceability practices that allow us to track every product – from catch to consumption – which also allow us to ensure our suppliers abide by the same sustainability commitments as Thal Union, through to implementing a Combating Food Fraud and Food Defense strategy to protect our food supply chains from any risk of intentional and unintentional contamination.

Fishery Supply Chain



Aquaculture Supply Chain



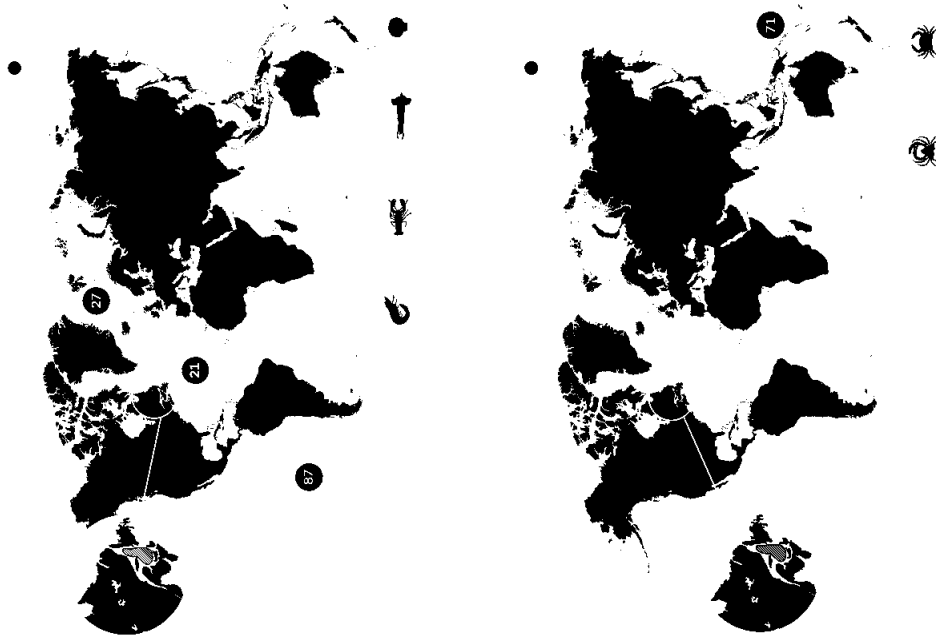


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Part 1
Business Operations and Performance

Thai Union Group Public Company Limited

2020 Annual Report

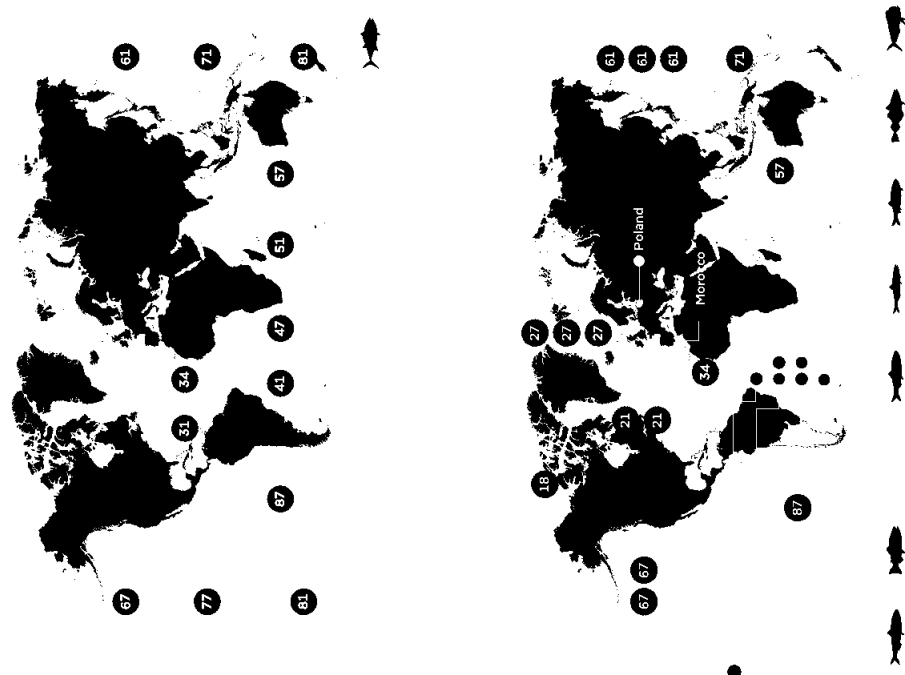


2020 Annual Report

Thai Union Group Public Company Limited

Part 1
Business Operations and Performance

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Management Discussion and Analysis

Overview

Thai Union posted sales of THB 132.4 billion in 2020, an increase of 4.9 percent compared to the previous year. The Thai Baht's depreciation against key trading currencies supported Thai Union's topline during 2020. In U.S. Dollar terms, Thai Union's 2020 sales were USD 4.2 billion, an increase of 4.0 percent from 2019. Furthermore, overall sales volume increased 5.6 percent year-over-year thanks mainly to solid performances from the ambient seafood and PetCare businesses.

Gross profit in 2020 passed the THB 23 billion mark for the first time at THB 23,418 million, up 16.4 percent year-over-year, resulting from aforementioned strong sales performance and margin improvement.

For the first time, Thai Union recorded a net profit above THB 6 billion at THB 6,246 million, up 64 percent year-over-year. Excluding U.S. antitrust litigation fees of THB 1.4 billion in 2019, the Company's 2020 net profit still delivered growth of 20 percent year-over-year on a normalized basis.

Thai Union's free cash flow during 2020 was at THB 10.4 billion, thanks to strong EBITDA generation, capital expenditure reduction and tight control on working capital. The Company's net interest-bearing debt fell THB 3.1 billion to THB 52.1 billion due partly to continued debt repayment. Measures to reduce debt lowered our net debt-to-equity to 0.94 times at the end of 2020, down from 1.07 times at the end of 2019.

1. Strong Demand for Ambient Seafood and PetCare Products during Lockdown

In 2020, the ambient seafood business saw a significant increase in sales from the previous year, while its gross profit margin improved to 21.1 percent, up from 19.4 percent in 2019, as a result of profitability improvement in the U.S. and European ambient seafood businesses. The frozen, chilled and related seafood business saw sales decline 5.4 percent from the previous year, affected by lower sales volume. We continued our strong growth focus on PetCare and value-added items, as seen in this segment's revenue growth of 7.7 percent year-over-year.

The ambient seafood business remained the largest sales contributor for Thai Union with 47 percent of total sales in 2020, up from 44 percent a year ago, thanks to both the Thai Baht's depreciation against key trading currencies and a strong demand for ambient seafood products in Western countries. The frozen, chilled seafood and related business accounted for 38 percent of total sales. PetCare, value-added and others business segment contributed 15 percent of total sales, slightly up from 14.8 percent in 2019.

During 2020, the U.S. market remained the Company's largest market, contributing 42 percent of revenue. Thai Union's European market contributed 29 percent of total sales. The contribution enhancement from the U.S. and Europe was mainly due to growth in the ambient seafood and PetCare businesses. In Thailand, domestic sales accounted for 10 percent. Japan was also an important market, with 5 percent of sales, while markets such as Africa and the rest of Asia made up the remaining 14 percent of Thai Union's sales.

The following are key factors which contributed to the Company's 2020 performance:

The coronavirus global pandemic led to significantly higher demand for ambient seafood products last year, mostly in the U.S. and European countries, as people cooked more at home in response to the closure of restaurants for extended periods and lengthy lockdowns in many cities. Thai Union's 2020 ambient seafood sales improved 13.6 percent from a year ago, on the back of volume sales growth of 16.9 percent. Additionally, PetCare and value-added sales increased 7.7 percent year-over-year which was partly attributable to people spending more on their pets during lockdown.

2. Strategic Investment in Red Lobster Contribution Challenged

In 2016, Thai Union made a USD 575 million strategic investment in Red Lobster, the world's largest seafood restaurant Company with annual revenue of USD 2.45 billion, operating over 750 stores globally through own-operations and franchisees. During 2020, the investment contributed a net loss of THB 408 million to the Company's net income, mostly due to the impact of lockdown restrictions that limited the number of operating dining halls and reduced capacity at the restaurants.

3. Currency Fluctuations

Thai Union has approximately 90 percent of sales occurring in foreign currencies, mostly in U.S. Dollar, Euro and to some degree in British Pound. With the Thai Baht significantly depreciating against all key trading currencies during 2020, the Company recorded an increase of 4.9 percent in annual revenue in 2020. However, excluding the currency impact, annual revenue would still have risen by 3.8 percent compared to a year earlier.



4. Strong Cash Flow Reduced Balance Sheet Leverage

The solid cash flow of THB 10.4 billion was supported by core business profitability improvement, capital expenditure reduction and efficient working capital management. As a result of strong cash flow, Thai Union repaid over THB 3 billion of debt during the year. As of end-2020, net debt-to-equity declined to 0.94 times, down from 1.07 times as of end-2019. The Company has so far achieved a debt target range of 1.0 - 1.1 times, providing the Company with greater financial strength and financial flexibility with its future management and investment plans.

Ambient Seafood Business

The ambient seafood business category recorded sales of THB 62.7 billion, up 13.6 percent from THB 55.2 billion in 2019. In the year under review, volume sales increased to 392,563 tons, an increase of 16.9 percent from the previous year. This was largely due to strong demand for canned seafood products in response to COVID-19 as consumers cooked more at home, adhered to social distancing and dealt with city lockdowns. Consequently, the gross profit margin of the ambient seafood business category improved significantly from a year earlier to 21.1 percent in 2020, thanks to improved profitability across the U.S. and European ambient business.

On average, the skipjack price (WFO/Bangkok landing) during the year increased 14.6 percent to USD 1,385 per metric ton from USD 1,209 per metric ton in 2019.

Frozen and Chilled Seafood and Related Business

The frozen and chilled seafood and related business category recorded sales of THB 49.6 billion, down 5.4 percent from THB 52.4 billion a year ago, mainly due to falling shrimp raw material prices and the ongoing pandemic situation which was challenging for the food service industry throughout the year. Therefore, the 2020 sales volume decreased 5.4 percent to 262,924 tons.

The shrimp price declined from a year earlier, with the 2020 average domestic shrimp price (60 pieces per kilogram) at THB 148 per kilogram, down 0.7 percent from 2019 levels. In 2020, the gross margin of frozen and chilled seafood and related business category was 9.7 percent, down from 10.2 percent during 2019.

PetCare, Value-Added and Other Business

The PetCare, value-added and others business category recorded sales of THB 20.1 billion, up 7.7 percent from the previous year, on the back of sales volumes increasing 2.8 percent over the same period. Moreover, the gross margin of the PetCare, value-added and other business category in 2020 improved significantly to 26.7 percent, up from 21.6 percent during 2019, which is attributable to people spending more on their pets during lockdown periods and a keen focus on higher margin products.

Financing and Investment

During 2020, we carried out a few important investments as follows:

1. Thai Union Made Four New Food-Tech Investments through Its Corporate Venture Fund

At Thai Union, we are building an ecosystem to nurture food-tech startups and to drive innovation in food industry. We continued to engage in SPACE-F, the first global food-tech startup incubator and accelerator in Thailand, with Batch II startups. In 2020, Thai Union announced four new investments in the food-tech space through its recently created venture fund, which focuses on alternative protein, functional nutrition and value chain technology startups, with an initial commitment of USD 30 million.

The Company invested into Alchemy Foodtech, a Singapore-based diabetes food-tech innovation company, Mania Foods, an insect-tech and e-commerce company in the U.S., HydroNeo, an aquaculture technology company based in Germany and Thailand; and VisVires New Protein, a Singapore-based food-tech investment fund.

2. Thai Union Entered into a Joint Venture with ThaiBev

Thai Union Ingredients (TUI) and Thai Beverage (ThaiBev) established Food and Beverage United, which will focus on developing functional nutrition food and beverages in Thailand. Thai Union holds a 49 percent stake in the joint venture.

3. Thai Union Increased Its Stake in Russian Joint Venture to 90 Percent

Thai Union increased its holdings in its Russian joint venture, TUMD Luxembourg S.a.r.l., from the 45 percent acquired in 2018 to 90 percent in 2020. TUMD acts as the joint venture vehicle for Thai Union investments in three Russian companies, which are leading canned tuna processors.

Future Prospects and Action Plan

Thai Union's vision is to be the world's most trusted seafood leader, caring for our resources to nurture generations to come. We also seek to continue to deliver healthy and responsibly-sourced nutrition to our consumers globally, while creating long-term value for our stakeholders.

With our global business portfolio, we will focus on continued performance improvement as part of our 2025 targets, driving towards an EBITDA of USD 450 - 550 million. We are committed to innovation as a key differentiator and we put sustainability at the heart of our operations and all of our decisions.

As part of our guidance for 2021, Thai Union will focus on sales growth of 3 - 5 percent from a year earlier. We aim to maintain the gross profit margin level at approximately 17 percent. The SG&A to sales ratio will be at approximately 11 - 12 percent. Additionally, we do not expect any material change in the effective interest rate from 2020.

In 2021 and beyond, our total planned capital investment will be ~THB 6 billion as we focus on carrying out capital expenditure related to new business divisions and continue to improve and streamline our existing operations in order to achieve sustainable, profitable growth.

Our key investment items during the year will be a culinary plant for ready-to-eat products and a protein hydrolysate and collagen peptide plant in Thailand, as well as a cold storage facility for our production plant in Ghana. Additionally, we will continue to invest in machinery and equipment, construction and improvements on buildings. Due to the ongoing expansion of our existing business, the Company's general financial health should improve further as positive cash flows increase.

We continue our commitment to deliver a high dividend payout ratio, with a minimum of 50 percent payout of our net profit with semi-annual payments.



Comparative Financial Ratios

RATIOS	2018		2019		2020
Liquidity Ratios					
Current Ratio (Times)	1.34	1.66	1.37		
Quick Ratio (Times)	0.39	0.55	0.45		
Leverage Ratios					
Gearing Ratio (Times)	2.10	1.74	1.59		
Debt to Equity (Times)*	1.44	1.16	1.06		
Net Debt to Equity (Times)*	1.40	1.07	0.94		
Time Interest Earned (Times)	3.96	4.06	5.22		
Efficiency Activity Ratios					
Total Assets Turnover (Times)	0.92	0.89	0.92		
Inventory Turnover (Times)	2.81	2.82	2.89		
Accounts Receivable Turnover (Times)	9.56	9.56	11.11		
Accounts Payable Turnover (Times)	8.54	8.49	9.64		
Inventory Days (Days)	128	128	125		
Account Receivable Days (Days)	38	38	32		
Account Payable Days (Days)	42	42	37		
Profitability Ratios					
Gross Profit Margin (%)	14.2	15.9	17.7		
EBITDA margin (%)	8.3	9.5	9.8		
Net Profit Margin (%)	3.9	4.1	4.7		
Return on Average Equity (%)	11.9	9.0	14.1		
Return on Assets (%)**	5.6	4.6	6.3		
Return on Capital Employed (%)	7.7	6.5	9.2		
Per Share Data					
Earnings Per Share (Thai Baht)	1.09	0.80	1.26		
Dividend per Share (Thai Baht)	0.40	0.47	0.72		
Book Value per Share (Thai Baht)	8.95	8.90	9.69		

* Debt = Interest bearing debt only

** Pre-tax ROA = EBIT/Average total assets

Financial Analysis

Sales

Thai Union reported 2020 sales of THB 132.4 billion (up 4.9 percent year-over-year), thanks to strong core business operations and the Thai Baht's depreciation against all key trading currencies throughout the year. In U.S. Dollar terms, Thai Union's 2020 sales were at USD 4.2 billion, up 4.0 percent year-over-year. Furthermore, overall sales volumes increased 5.6 percent year-over-year mainly from ambient seafood and PetCare business growth.

Ambient seafood sales contributed 47 percent during 2020, an increase of 13.6 percent from the previous year, as a result of both the Thai Baht's depreciation against key trading currencies and a strong demand for ambient seafood products in Western countries. Thai Union's frozen and chilled seafood and related business sales contribution decreased to 38 percent, down from 42 percent in 2019, due to a decline in shrimp and salmon sales volume. PetCare, value-added and others business segment contributed 15 percent of total sales, slightly up from 14.8 percent in 2019.

The U.S. market remains Thai Union's largest market with sales contribution of 42 percent of total sales, up from 40 percent during 2019. This was mainly due to growing ambient seafood and PetCare business sales as well as U.S. Dollar appreciation against the Thai Baht in 2020. The sales contribution from European markets was at 29 percent, up from 28 percent in 2019, mainly as a result of strong ambient seafood sales and the appreciation of the Euro and British Pound against the Thai Baht during 2020. The contribution of Thai market sales declined to 10 percent, down from 12 percent a year earlier, impacted by lower tourism activities. However, Japanese market contributions were 5 percent, a slight decline from the previous year.

In 2020, our branded sales slightly outgrew the private label business, with sales mix at 42 percent and 58 percent, respectively. Our 2020 total branded sales increased 7.4 percent year-over-year, as the majority of our branded sales are contributed from the U.S. and Europe, and were driven by the Thai Baht's depreciation against their respective currencies, while branded volume sales continued to grow 5.6 percent year-on-year. In the period under review, private label sales were up 3.1 percent year-over-year, mainly thanks to the favorable key raw material prices and sales volume growth of 5.6 percent year-on-year.

Gross Profit

Gross profit in 2020 passed the THB 23 billion mark for the first time at THB 23,418 million, up 16.4 percent year-over-year, resulting from aforementioned strong sales performance and margin improvement.

The ambient seafood business showed a gross margin improvement to 21.1 percent in 2020, compared to 19.4 percent a year earlier. The margin enhancement was mainly attributed to strong sales and a favorable mix in the ambient business, resulting in a higher overall gross margin compared to the previous year.

The year saw the gross margin of our frozen and chilled seafood and related business at 9.7 percent, down from 10.2 percent during 2019. This was mainly due to the ongoing COVID-19 pandemic situation which presented challenges to the food service industry. However, despite the global pandemic, there was no major impact and facilities continued their operations during the year, thanks to stringent hygiene measures applied in all of the Company's operations.

The gross margin of PetCare, value-added and others business improved to 26.7 percent in 2020, on the back of sales value and volume increases of 7.7 percent and 2.8 percent year-on-year, respectively.



Selling and Administrative Expense (SG&A)

Our SG&A to sales ratio during 2020 was at 11.8 percent, down from 12.9 percent a year ago. The decrease in ratio was partly attributable to the U.S. antitrust litigation fees of THB 1.9 billion recorded during the second quarter of 2019. Excluding such fees, the SG&A to sales ratio in 2019 would represent 11.4 percent.

Operating Profit

The 2020 record operating profit of THB 7.8 billion, up 103 percent year-over-year, was driven by both overall operational improvements and prudent cost saving initiatives. EBITDA in 2020 reached a record THB 12.9 billion, driven by improved profitability.

Other Income (Including Share of Income from Investment in Associates)

During 2020, other income was at THB 1.6 billion, an increase of 3.5 percent from a year ago. Interest income received from the Red Lobster investment in convertible preferred units was unchanged from the same period a year earlier.

FX Gain/ Loss

FX gains significantly declined 81 percent year-over-year to THB 90 million, as a result of lower FX volatility.

Finance Costs

Finance costs in 2020 were THB 1.7 billion, down 16.1 percent year-over-year. The decrease was mainly thanks to the issuance of the perpetual bond during 4Q19 which resulted in a decrease in the effective interest rate to 2.91 percent, from 3.27 percent during 2019.

Corporate Income Tax

During 2020, income tax expenses increased to THB 724 million, from THB 158 million accrued in 2019. This increase was mainly attributable to an improved underlying operational performance during the period. The 2020 effective tax rate was at 9.9 percent, versus 3.6 percent in 2019.

Net Profit

Thai Union reported its first ever annual net profit above THB 6 billion at THB 6,246 million, up 64 percent year-over-year, mainly thanks to the strong business operations during the year. Excluding the U.S. antitrust litigation fees in 2019, the Company's 2020 net profit still delivered growth of 20 percent year-over-year on a normalized basis. The 2020 net profit margin was 4.7 percent, compared to 3.0 percent in 2019.

Assets

Total assets at the end of 2020 amounted to THB 144.6 billion, an increase of 1.9 percent from THB 141.9 billion as of end-2019.

- Net trade receivables were THB 11.3 billion, down 9.7 percent or THB 1.2 billion from THB 12.5 billion in 2019. Accounts receivable turnover was up to 11.11 times from 2019 levels due to decreased average accounts receivable and improved sales. Accounts receivable days as of 2020 declined to 32 days, lower than 38 days in 2019 as the Company continued to demonstrate improvements on its collection efficiency.
- Despite a sales increase, inventory days during 2020 decreased to 125 days, from 128 days in 2019, resulting from improved inventory management efficiency from higher product demand. Net inventories in 2020 were up 4.5 percent from end-2019 to THB 38.5 billion, partly due to rising raw material prices.
- The asset turnover rate increased slightly to 0.92 times in 2020 from 0.89 times in 2019 thanks to improved sales of 4.9 percent in 2020 compared to the previous year.

- The current ratio in 2020 was at 1.37 times, which declined from 1.66 times in 2019, mainly from a larger amount of current portion of long-term loans at end-2020.
- Property plant and equipment totalled THB 26.7 billion, an increase from THB 25.9 billion in 2019 due to normal capital expenditure activities during 2020.

Liabilities

Total liabilities in 2020 amounted to THB 88.8 billion, representing a decrease of THB 1.3 billion from THB 90.1 billion in 2019.

- Trade payables were THB 10.8 billion, down 9.1 percent from THB 11.8 billion in 2019. Trade payable days were down to 37 days, thanks to the Company's continued focus on supply chain finance programs to improve overall payable efficiency. The accounts payable turnover rate was at 9.64 times compared with 8.49 times a year earlier.

Cash Flows

- In 2020, net cash receipts from operating activities were at THB 13,432 million. Positive cash flow was driven mostly by profitable operations (EBITDA: THB 12,959 million). Inventory days during 2020 dropped to 125 days, from 128 days a year ago, thanks to higher sales that outpaced higher inventory, resulting in better inventory management efficiency.
- Net cash payments for investing activities were at THB 3,736 million which is well on track with the revised capital expenditure plan of THB 3.7 billion (from THB 4.9 billion planned at the beginning of the year).
- Thai Union recorded a net cash payment for financing activities of THB 8,203 million during 2020, largely from regular debt repayments during the year, including interest paid on perpetual debentures and lower cash received from investments in affiliates.
- A net increase in cash and cash equivalents, including exchange losses on cash and cash equivalents, was at THB 1,597 million, resulting in an end-2020 cash and cash equivalent balance of THB 6,286 million (including the impact from the use of a Bank Overdraft).

Shareholders' Equity

- Equity attributable to shareholders of the Company in 2020 amounted to THB 52.2 billion, representing an increase of THB 3.7 billion from THB 48.4 billion in 2019 as the Company recorded higher retained earnings during the year.



Connected Transactions Year 2020

Connected Company	First & Last Name	Position Held In TU	No. of Shares Owned in Connected Company	Policy of Price	Connected Transactions	Y 2020 (M)
1. Thai Union Feedmill PCL (holding 66.30%)	Rittirong Boonmechote (Rittirong's wife)	Director	58,937,300	14.4%	Market Price	
	Nittaya Boonmechote (Rittirong's son)	Relative of Director	4,500,000	1.1%		
	Thanachot Boonmechote (Rittirong's son)	Relative of Director	4,125,000	1.0%		
	Boonpaween Boonmechote (Rittirong's son)	Relative of Director	4,125,000	1.0%		
	Chinnachot Boonmechote (Rittirong's brother)	Relative of Director	5,625,000	1.4%		
	Rungtiwa Boonmechote (Rittirong's sister)	Relative of Director	9,375,000	2.3%		
Commercial Transactions:						
- Purchase of raw materials (Scrap) from TU						32.16 29.72
- Purchase of raw materials (Scrap) from PPC						18.87 18.89
- Purchase of raw materials (Scrap) from TUS						9.02 7.77
- Purchase of nauplius from TUH						2.23 0.65
- Purchase of supplement food for shrimp farm from TMAC						— 0.06
- Payment for Training charge to EHS						0.03 0.03
- Sale of shrimp feed to TMAC						10.56 2.14
- Sale of shrimp feed to TUH						1.06 2.76
- Sale of shrimp feed to TCM						5.12 8.53
- Sale of shrimp feed to TMK						9.86 26.96
- Sale of raw materials (Shrimp) to TU						10.01 6.93
Supporting Commercial Transactions:						
- Payment for headquarter Services to TU						15.79 21.57
- Received for Marine catch purchasing document from TU						1.55 1.05
- Received for Marine catch purchasing document from TUS						0.57 0.94
- Received for Marine catch purchasing document from PPC						0.10 0.08
- Received for Marine catch purchasing document from TUH						0.77 1.95
- Received for Knowhow from AFL						39.80 37.76
Asset or Service Transactions:						
- Payment for wan optimization program to TU						0.48 —
- Payment for Microsoft Office365 to TU						0.16 0.40
- Payment for service charge (shipping, Logistic, BOI) to TUM						— 0.43
- Payment for e-procurement and e-auction consulting service charge to BZD						0.05 0.05
- Received for rent office and telephone charge from TMAC						0.24 0.45
- Received for Analyze raw material from TMAC						0.01 —
- Received for incentive sale and Service charge from TUH						0.89 —

Connected Company	First & Last Name	Position Held In TU	No. of Shares Owned in Connected Company	Policy of Price	Connected Transactions	Y 2020 (M)
1. Thai Union Feedmill PCL (holding 66.30%) (continued)						
Short-term Rent of Immovable Property Transactions:						
- Payment for lease of land to TU for experimental farm. The rental agreement is effective for 3 years until June 2022. It was approved by the Board's resolution.						0.50 0.50
- Payment for lease of Shrimp farm to TCM						0.62 —
- Payment for lease of Shrimp farm to TMK						1.25 1.50
- Received for lease of Land from TUH						1.25 —
2. Thai Union Seafood Co., Ltd. (holding 51.0%)	Rittirong Boonmechote (Rittirong's brother)	Director	6,974,850	23.2%	Market Price	
	Chinnachot Boonmechote (Rittirong's sister)	Relative of Director	900,000	3.0%		
	Rungtiwa Boonmechote (Rittirong's son)	Relative of Director	900,000	3.0%		
	Thanachot Boonmechote (Rittirong's son)	Relative of Director	1,800,000	6.0%		
	Boonpaween Boonmechote (Rittirong's son)	Relative of Director	1,800,000	6.0%		
Commercial Transactions:						
- Purchase of raw materials and finished goods from TU						1.77 1.79
- Purchase of raw materials from PPC						0.67 0.52
- Payment of production wage to OKF						8.46 —
- Payment for printing to TUG						51.47 28.45
- Sale of finished goods to COSF						1,219.77 1,030.05
- Sale of finished goods to TUC						120.99 111.26
- Sale of finished goods to PPC						77.15 74.54
- Sale of finished goods to TU						85.48 41.81
- Sale of raw materials (Scrap) to TFM						9.02 7.77
- Sale of finished goods to TSR						0.37 3.10
- Sale of finished goods to TUO						0.22 0.52
Supporting Commercial Transactions:						
- Payment for headquarter services to TU						21.52 22.09
- Payment for export management service charge to TUM						8.36 9.19
- Payment for warehousing and transportation charge to COSF						0.64 0.78
- Payment for commission and other service charge to TU						3.18 0.37
- Payment for packaging to OKF						0.36 0.20



Connected Company	First & Last Name	Position Held In TU	No. of Shares Owned In Connected Company	Policy of Price	Connected Transactions	2020	2019
2. Thai Union Seafood Co., Ltd. (holding 51.0%) (continued)					Supporting Commercial Transactions:		
					- Payment for Marine catch purchasing document to TFM	0.57	—
					- Payment for Development and research (Shrimp) to TUH	—	5.25
					- Received warehousing and transportation from TU	0.67	0.65
					Asset or Service Transactions:		
					- Payment for wan optimization program to TU	0.53	0.52
					- Payment for Project Purchase to TU	—	0.08
					- Payment for Computer rental & Microsoft Office365 to TU	0.10	0.14
3. Lucky Union Foods Co., Ltd. (holding 25.0%)	Cheng Niruttinanon	Director	102,000	11.3%	Market Price	Commercial Transactions:	
						- Purchase of raw materials (fish head) from TU	0.52
						- Purchase of finished goods from PPC	2.71
						- Payment for printing to TUG	1.30
						- Payment for Training charge to EHS	—
						- Sale of raw materials (petfood topping) to TUM	23.04
						- Sale of raw materials (imported Surimi) to TU	4.17
						- Sale of finished goods to PPC	0.47
						- Sale of finished goods (raw material for petfood) to SC	0.53
						- Sale of finished goods to TSR	0.91
						Supporting Commercial Transactions:	
						- Payment for warehousing charge to TU	0.31
						- Received for transportation charge from PPC	0.04
						- Received for transportation charge from TU	0.04
						- Sale of Vitamin Premix to TU	—
						Asset or Service Transactions:	
						- Sale of spread tuna blender (second hand) to TU	—

Connected Company	First & Last Name	Position Held In TU	No. of Shares Owned In Connected Company	Policy of Price	Connected Transactions	2020	2019
4. Chansiri Real Estate Co., Ltd.	Thiraphong Chansiri	Director	19,680,000	32.8%	Short-term Rent of Immovable Property Transactions: TU, TUM, SC and TUO paid the rent and service charge for its Bangkok office. With their needs to run Bangkok office to facilitate business transactions, the three companies entered into rental contract with the Chansiri Real Estate Co., Ltd., a real estate developer. The contracted rental charge and the service charge is THB 550/square metre/month. The rental and service charge is consistent with general market price in the industry and apply only for rented area, excluding other utility charge. The rental agreement is effective for 3 years until December 2022. It was approved by the Board's resolution.	69.73	82.73
	Dejphon Chansiri (Kraisorn's son)	Relative of Director	15,260,000	25.4%			
	Disaphol Chansiri (Kraisorn's son)	Relative of Director	15,260,000	25.4%			
	Kraisorn Chansiri	Director	7,800,000	13.0%			
	Bussakorn Chansiri (Kraisorn's wife)	Relative of Director	2,000,000	3.4%			
	Chuan Tangchansiri	Director	—	—			
5. Jana Industry Co., Ltd.	Cheng Niruttinanon	Director	50,000	25.0%	Market Price	Commercial Transactions:	
						- Purchase of goods (Fish snack and New Products) from TU	0.12
						- Purchase of raw materials (Scrap) from SC	57.23
						- Sale of raw materials (Scrap) to TFM	86.68
6. Toon Thanasiri Co., Ltd.	Thiraphong Chansiri	Director	1	0.0%	Short-term of Immovable Property Transaction: - Paid the rent and service charge for Office to TU	0.02	—
	Shue Chung Chan	Director	1	0.0%			
						Commercial Transactions:	
					- Purchase of finished goods from TU	—	0.10



Connected Company	First & Last Name	Position Held In TU	No. of Shares Owned In Connected Company	Policy of Price	Connected Transactions	Y 2020 (M)
7. TC Union Agrotech Co., Ltd.	Cheng Niruttinanon	Director	845,895	34.8%	Market Price	
Commercial Transactions:						
- Purchase of raw materials (Scrap) from TU						300.00 263.89
- Purchase of raw materials (Scrap) from TUM						325.52 288.41
- Purchase of raw materials (Scrap) from TUI						13.51 33.16
- Payment for Training charge to EHS						— 0.02
- Sale of raw materials to TFM						159.04 138.50
Asset or Service Transactions:						
- Payment for moving fish tank to TU						0.22 0.39
- Payment for fish tank to TUM						— 0.25
- Receive for freight (export fish oil) from TUM						0.43 —
Supporting Commercial Transactions:						
- Payment for Wood Pallets to TUM						— 0.08
Short-term of Immovable Property Transaction:						
TU paid the rent, service charge, utility charge and expenses on utilities for office and plant area including machinery, equipment and contracted service of TC Union Agrotech Co., Ltd., as a solution for the Company's inadequate processing area for extension of its value added production line. The contracted rental charge and Cold system Multi stage is THB 545,806 per month (excluding expenses on utilities). The rental agreement is effective for 2 years until December 2021. It was approved by the Board's resolution.						18.49 15.06

Connected Company	First & Last Name	Position Held In TU	No. of Shares Owned In Connected Company	Policy of Price	Connected Transactions	Y 2020 (M)
8. Wai Thai Co., Ltd.	Cheng Niruttinanon	Director	100,000	31.3%	Market Price	
	Kraisorn Chansiri	Director	59,200	18.5%		
	Jintana Niruttinanon (Cheng's wife)	Relative of	36,800	11.5%		
	Chuan Tangchansiri	Director	20,000	6.3%		
	Thiraphong Chansiri	Director	20,000	6.3%		
	Nakorn Niruttinanon (Cheng's son)	Relative of	20,000	6.3%		
Supporting Commercial Transactions:						
- Received for haulage charge from TUM						57.47 65.77
- Received for haulage charge from TU						7.63 9.79
- Received for haulage charge from APC						2.63 2.30
- Received for haulage charge from SC						0.25 0.39
- Received for haulage charge from TUI						0.02 0.21
- Received for truck sticker from APC						0.02 —
Grand Total						68.02 78.46
Under the 2011 AGM resolution passed on 25 April 2011, of the expenses for transaction per year not exceeding THB 100 million.						
9. Thaipatana Stainless Steel Co., Ltd.	Cheng Niruttinanon	Director	20,000	40.0%	Market Price	
	Chuan Tangchansiri	Director	5,000	10.0%		
Asset or Service Transactions:						
- Received for stream retort pouch, conveyor belts and production tools from TUM						90.96 53.48
- Received for construction advance from TUM						6.72 8.79
- Received for Dumper, Rail and production tools from TU						11.75 6.83
- Received for repair equipment from TUM						16.29 14.93
- Received for repair equipment from SC						0.03 0.01
- Received for repair equipment from TU						0.69 0.82
- Received for production tools from APC						0.07 0.53
- Received for repair equipment from TUI						— 0.21
Total except advance						126.51 76.81
Under the 2011 AGM resolution passed on 25 April 2011, of the expenses for transaction per year not exceeding THB 150 million.						



Connected Company	First & Last Name	Position Held In TU	No. of Shares Owned In Connected Company	Policy of Price	Connected Transactions	Y 2020 (M)
10. TN Fine Chemicals Co., Ltd. (holding 48.97%)	Thiraphong Chansiri	Director	1	0.0%	Market Price	
Commercial Transactions:						
- Purchase of raw materials (Scrap) from TUM						43.90 —
- Purchase of raw materials (Scrap) from TU						10.03 —
- Purchase of raw materials (Scrap) from TUI						44.69 108.39
Supporting commercial transactions:						
- Payment for marketing service charge to TUM						3.39 2.04
- Payment for production material to TUM						— 0.12
Asset or Service Transactions:						
- Payment for LAB service to TU						0.02 0.11
- Received for transport cost from APC						— 0.03
- Received for fish head cutting machine from TUM						3.33 —
Short-term of Immovable Property Transaction:						
- Payment for office rent and utilities service charge to TUM						1.53 2.40
Finance Support transactions:						
- Received for interest from TUM						1.22 0.41
- Short-term loans to TUM as of 31 December						82.10 45.10
11. Biz Dimension Co., Ltd.	Kraisorn Chansiri Cheng Niruttinanon Thiraphong Chansiri	Director Director Director	2,575,001 250,000 1,675,000	51.5% 5.0% 33.5%	Market Price	
Supporting commercial transactions:						
- Received e-procurement and e-Auction consulting service charge from TU						1.61 0.97
- Received e-procurement and e-Auction consulting service charge from PPC						0.31 —
- Received e-Procurement and e-Auction consulting service charge from SC						0.52 0.15
- Received e-Procurement and e-Auction consulting service charge from TUM						0.77 0.66
- Received e-Procurement and e-Auction consulting service charge from APC						0.15 0.06
- Received e-Procurement and e-Auction consulting service charge from TUG						0.04 0.00
- Received e-Procurement and e-Auction consulting service charge from TFM						0.05 0.05

Connected Company	First & Last Name	Position Held In TU	No. of Shares Owned In Connected Company	Policy of Price	Connected Transactions	Y 2020 (M)
12. Factory Storage Service Co., Ltd.	Nakorn Niruttinanon (Cheng's son)	Relative of Director	300,000	60.0%	Compared to neighboring areas	
Short-term of Immovable Property Transaction:						
- TUM paid the rent, service charge, utility charge and expense on utilities for warehouse space of Factory Storage Service Co., Ltd., to keep products packaging. The rental agreement is effective for 1 years until December 2021. It was approved by the Board's resolution.						23.24 23.39
13. Phil-Union Frozen Foods, INC. (Philippines)	Cheng Niruttinanon	Director	149,996	100.0%	Market Price	
Commercial Transactions:						
- Purchase of Packaging from APC						6.10 6.81
- Sale of finished goods to COSF						720.03 589.83
14. New Century Printing and Packaging Co., Ltd.	Cheng Niruttinanon	Director	25,000	55.6%	Market Price	
Commercial Transactions:						
- Sale of Packaging to SC						2.30 0.79
15. Pae Rungtiwa (Natural Person)	Rungtiwa Boonmechote (Rittirong's sister)	Relative of Director	Owner	100.0%	Market Price	
Commercial Transactions:						
- Sale of raw materials (Shrimp) to PPC						0.62 —
16. Thai Union Hi-tech Pearl Cultivation Co., Ltd.	Kraisorn Chansiri Thiraphong Chansiri Dejphon Chansiri (Kraisorn's son) Disaphol Chansiri (Kraisorn's son)	Director Director Relative of Director Relative of Director	2,500,000 5,000,000 7,500,000 7,500,000	5.0% 10.0% 15.0% 15.0%	Market Price	
Commercial Transactions:						
- Purchase of fish feed and fingerling from TFM						25.56 44.37
- Purchase of product from TU						0.03 0.06

Remarks:

- Commercial transaction refers to purchase or sale of raw materials in the normal course of business and under general trading conditions under the Board of Directors' Meeting No. 5/2008 resolution passed on 20 August 2008.
- For item 6, 8, 10 - 11 and 16 Kraisorn Chansiri, Cheng Niruttinanon, Chuan Tangchansiri, Thiraphong Chansiri and Shue Chung Chan are TU directors with share ownership in the connected Company less than 10 percent of its registered capital but also hold director titles in the said connected Company.
- In addition, the Company and subsidiaries have entered into property insurance policy, with Asia-Pacific Risk Consultants (Thailand) Co., Ltd. and Asia-Pacific Insurance Brokers Co., Ltd. as insurer. The transaction is connected, as Chuan Tangchansiri, TU Director, also has director title in the insurer. The Company and subsidiaries to pay insurance premiums (2 companies) through both companies as follows:
- Year 2019 Total Amount THB 110.14 million.
- Year 2020 Total Amount THB 121.26 million.



Information Influencing Investors' Decisions

Information Influencing Investors' Decisions

The Company has no further information to disclose that may materially impact investors' investment decisions. Should there be any other crucial information that could materially be useful or impact investors' investment decisions, or that could ensure equal access to information for all types of investors, the Company will immediately disclose the accurate and complete information on The Stock Exchange of Thailand's portal as well as on the Company's website, where investors can digest the information before making any investment decisions.

References

Common Share Registrar

Thailand Securities Depository Co., Ltd.
14th Floor, The Stock Exchange of Thailand,
93 Ratchadapisek Road,
Dindaeng, Bangkok 10400
Tel.: +66 (0) 2009-9000
Fax: +66 (0) 2009-9992

Debentures Registrar

2011 Debentures, 1 - 3 series: Kasikorn Bank PCL
2014 Debentures, 1st batch, 1 - 4 series: Kasikorn Bank PCL
2014 Debentures, 2nd batch, 1 - 2 series: TMB Bank PCL
2016 Debentures, 1st batch, Bank of Ayudhya PCL
2016 Debentures, 2nd batch, 1 - 3 series: Bank of Ayudhya PCL
2017 Debentures, 1st batch, 1 - 4 series: Bank of Ayudhya PCL
2019 Debentures, 1st batch, 1 - 2 series: Krung Thai Bank PCL
2019 Debentures, 2nd batch, Krung Thai Bank PCL

Debenture Holders Representative

2019 Debentures, 2nd batch, Krung Thai Bank PCL

Independent Auditors

Pongthavee Ratanakoses CPA No. 7795 or
Chanchai Chalprasi CPA No. 3760 or
Anomrat Pearnpoonvanasak CPA No. 4699

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Litigation

Tri-Union Seafoods LLC (Tri-U)

On 15 July 2015, Tri-U was served with a subpoena from the United States Department of Justice (DOJ) concerning a DOJ antitrust investigation into the packaged seafood industry. Tri-U has fully cooperated with the government, including producing documents and other evidence responsive to the subpoena. Tri-U was granted conditional leniency by the DOJ, which means that, provided Tri-U continues to fully cooperate with the DOJ, neither the Company nor any cooperating executives or employees will face prosecution or penalties.

Tri-U has also been named as a defendant in several separate civil class actions and direct civil actions (Civil Actions). The plaintiffs are various retailers, grocery stores, and consumers that allegedly purchased packaged seafood products from Tri-U and other named defendants. The Civil

Actions allege a conspiracy to fix, raise, maintain, and/or stabilise prices for packaged seafood products within the United States, in violation of Sections 1 and 3 of the Sherman Antitrust Act (15 U.S.C. §§ 1, 3) and in violation of various state antitrust, consumer protection, deceptive trade practices and unfair competition statutes. Plaintiffs seek to recover damages.

As at 31 December 2020, the Group recognized sufficient accrual which is in line with the expected settlements.

On 11 January 2021, Tri-U has reached an agreement in principle to settle these remaining antitrust litigation cases. At this stage, all that remains is final court approval of the settlement agreement negotiated and concluded by the parties. The approval of the settlement of these remaining antitrust litigation cases brings to an end the antitrust litigation cases in Tri-U.

Corporate Governance Report

The Board of Directors of Thai Union Group Public Company Limited has realized the importance of good corporate governance, which should be provided by the Company to support its operations for sustainable growth and wider acceptance in both the domestic and international markets. For this reason, the Board of Directors has been committed to running operations under a good corporate governance framework, which comprises directors and executives who are leaders with visions and responsibilities, and a management structure which controls, monitors, provides checks and balances for fairness, morality and transparency concerning the equity of the shareholders and the stakeholders in order to increase the competitive advantage, which will build confidence among shareholders, investors and stakeholders, to make the Company operate with efficiency, stability, and sustainable growth along with added value in the investments for the shareholders in the long term.

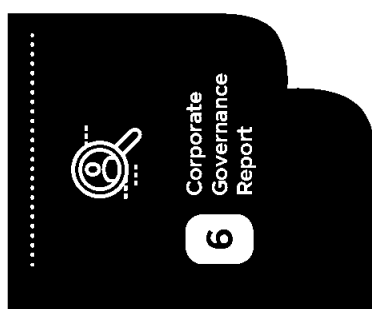
The Company's corporate governance in 2020 was rated "excellent" for the fifth consecutive year from Corporate Governance Report of Thai Listed Companies 2020 conducted by the Thai Institute of Directors Association (IOD) and the Company received a very good on the assessment of the Annual General Meeting of Shareholders by Thai Investors Association.

Operations Under Good Corporate Governance

The Board of Directors has set up a good corporate governance policy for registered companies by adhering to the principles of good corporate governance of The Stock Exchange of Thailand and has consistently reviewed, adjusted and improved this for suitability to ensure that the duties of the Board of Directors are performed with effectiveness and constant good corporate governance. In addition, the Company reviewed the policy to comply with legal, economic and social change and inform directors, executives and employees to acknowledge and abide as part of the work.

The Board of Directors has verified the performance in accordance with the Guidelines of Corporate Governance Code (CG Code) for listed companies and found that the performance was in accordance with the stipulated policy and work processes, except for a few matters, resulting in implementation pauses. In the case of the Company has not adopted good corporate governance principles for listed companies in any matter. The Company will record the reasons and present to the Board of Directors for consideration, review, plan the development and monitoring of further action. The results that cannot be implemented are as follows:

Principles/ Good Corporate Governance of The Stock Exchange of Thailand	The Company's Explanation
Equitable Treatment of Shareholders: The delivery of the invitation to shareholders 21 days prior to the Annual General Meeting of Shareholders	Due to the preparation of the Annual Report, we had to wait for the results of operations for 2019 and will be prepared and audited by the Auditor within 60 days of the date of the balance sheet on 31 December 2019. The Company scheduled a board meeting to consider and approve the results of operations on 17 February 2020, which takes at least 14 days to close and complete the shareholders' list which the Company has scheduled on 3 March 2020. It then took about 10 days after the closing date to distribute the meeting invitation letter due to waiting for the list of shareholders' registrar and postal process on 19 March 2020. As the Company has set the date for the Annual General Meeting on 5 April 2020, this affected sending the invitation letter to shareholders at least 21 days prior to the meeting date.
	However, the Company publicized the invitation to the 2020 Annual General Meeting of Shareholders along with the documents in sufficient and accurate detail on www.thaiunion.com from 2 March 2020 - 34 days prior to the Annual General Meeting of Shareholders.
	Moreover, the Company understands that the Company had the option to defer the Annual General Meeting in order to give shareholders more time to read and study the invitation letter, but due to April having many holidays that resulted in a large number of SET listed companies holding their meetings after Songkran, then the Company looked to set the meeting earlier in order to have more shareholders attend.
	However, with the spread of the COVID-19 virus in Thailand and with the number of infected people continuing to increase, the Board of Director resolved to cancel the 2020 AGM of Shareholders. The indefinite postponement would not cause any significant effect to the Company's business operation. After that, the Board of Director set up the new date of the 2020 AGM on 16 September 2020, including the new record date. Then, the invitation letter was sent to shareholders 6 months prior to the meeting date.





Principles/ Good Corporate Governance of The Stock Exchange of Thailand

The Company's Explanation

Board Responsibilities:

The Chairman of the Company should be an independent director.

The Chairman of the Company is Mr. Kraisorn Chansiri, who founded the Company and holds the position of major shareholder, resulting in not qualifying as an independent director.

However, the Nomination and Remuneration Committee considered, then gave their opinion that he has long experience and vision, and is able to ensure that all directors participate in a corporate culture that promotes ethical and good governance. He is therefore able to control the meetings in a manner beneficial to the organization.

This experience is demonstrated by the effort of the past 30 years, when the Company has grown from a registered market value of 20 billion to 70 billion Thai Baht and has shown steady growth.

An independent director should not remain in the position of Director of the Company for more than 9 years.

Although Mr. Sakdi Kiewkanikha has been an independent director of the Company for 20 years, his commitment and his capabilities, which can be verified by the Audit Committee Report, make the Board of Directors feel confident that he will definitely become non-independent. In addition, Dr. Tharmoon Ananthothai and Mr. Kirati Assakul are independent directors who have been with the company for 11 years. Both of them have the experience and knowledge to provide good advice to the company all the time, including there is one independent director that has not held his position for a long time. Therefore, the Board believe that checks and balances will be properly implemented.

Each of the Company's directors should regularly attend meetings (at least 75 percent of all meetings).

Since one member of the Board of Directors has been appointed by our business alliance of more than 25 years, Mitsubishi Corporation, represented by Mr. Norio Saigusa, who reside in Japan, it is unavoidable that he could not attend meetings as scheduled. Nevertheless, the Company sent the meeting agendas along with supporting documents to all directors and made opportunities for directors to submit questions and comments directly to the Group Chief Financial Officer of the Company before the meeting days.

The board should have at least one woman as an independent director.

The Company has a policy of diversifying the structure of the Board, professionally and in terms of skills, specializations, and gender, because currently the Company has a sufficient number of directors. When the Company has the opportunity to nominate directors, it is ready and willing to have an independent woman director on the committee.

The board should appoint Corporate Governance Committee

The Company is being studied and considered accordingly.

Companies should provide project grants to executives to purchase shares of the Company for the period of three years and set the exercise price higher than the market price at the time of allocation of rights, including no significant concentration up to 5 percent.

The Company is being studied and considered accordingly.

To comply with the principles of Corporate Governance Code (CG Code) for listed companies of the Securities and Exchange Commission as well as the business leadership concept, and delineated as the Board's roles and responsibilities for the Company's long term sustainable value creation. In this regard, the value created should not only be good for the Company but also for its shareholders, stakeholders, the capital market and the society at large. This report sets out the guidelines for the directors with 8 principles as follows:

- Principle 1: Establish Clear Leadership Role and Responsibilities of the Board
- Principle 2: Define Objectives that Promote Sustainable Value Creation
- Principle 3: Strengthen Board Effectiveness
- Principle 4: Ensure Effective CEO and People Management
- Principle 5: Nurture Innovation and Responsible Business
- Principle 6: Strengthen Effective Risk Management and Internal Control
- Principle 7: Ensure Disclosure and Financial Integrity
- Principle 8: Ensure Engagement and Communication with Shareholders

Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors is authorized to manage the Company in conformity with objectives, regulations and shareholder resolutions with honesty, in good faith, and for the best interests of the Company. Additionally, the Board of Directors is responsible for setting corporate policy and direction as well as ensuring that the management implements the policy effectively and efficiently.

Board members are required to disclose any material interests in transactions or contracts which the Company enters into and increase/decrease in share/equity ownership in the Company or its subsidiaries during any fiscal year. The Board of Directors is authorized to implement and direct the Company's activities except for the following issues, which require prior shareholder approval:

- 1) Any issue that requires shareholder approval, pursuant to the law;
- 2) Altering the Company's par value or registered capital;
- 3) Increasing the Company's Board members;
- 4) Any deed that yields the Board of Directors a gain or loss or any deed that is obliged, by SET regulations, to have shareholder's approval

The Board of Directors is responsible to the shareholders in overseeing the Company's business operations and steering the Company towards the agreed targets and on a path that maximizes shareholders' long-term benefits, with consideration to business ethics and fairness to all relevant stakeholders. Duties and Responsibilities of the Board of Directors are as follows:

- 1) Manage the Company in accordance with the objectives, regulations, and decisions set by the shareholders' meetings, and oversees the Company's business operations.
- 2) Set vision, mission and the Company's goal.
- 3) Review and approve vision and mission every five years.
- 4) Set targets and business policies to be implemented by the management.
- 5) Monitor the implementation of the strategy, goals and policies to comply with the Company's objectives.
- 6) Oversee the management's performance to ensure effectiveness.
- 7) Hold at least five Board meetings per year.
- 8) Hold at least one general shareholders' meeting to report the Company's operating results and request approval on management matters that are beyond the scope of the directors' authorization.
- 9) Monitor operating results and the financial status of the Company and its subsidiaries.
- 10) Approve quarterly and annual financial reports; information disclosure reports (Form 56-1), and the annual report (56-2), in accordance with the regulations of The Stock Exchange of Thailand and the Securities and Exchange Commission.



- 11) Prepare a report on the Board of Directors' accountability for financial reporting, to be shown in conjunction with the auditor's report in the Company's Annual Report, to give assurance that the Company's financial reports are accurate and have been prepared based on standard accounting principles and consistent accounting policy.
- 12) Set up the Company's internal control system, internal audit system, and an effective risk management system.
- 13) Propose the appointment of auditor and set the level of compensation as proposed by the Audit Committee.
- 14) Propose the list of directors to be replaced and their replacement to the general shareholders' meeting.
- 15) Propose the rate of meeting allowances, compensation to directors and members of subcommittees to the general shareholders' meeting.
- 16) Examine and approve matters proposed by the management committee and related to connected transactions, potential conflict of interests, purchase and sales of assets and other matters as specified in the rules and regulations of the Securities and Exchange Commission and The Stock Exchange of Thailand.
- 17) Examine and approve the Company's transactions involving legally-binding contractual obligations, debts obligations, and guarantees.
- 18) Approve the appointment and set the scope of work and compensation for the Company's sub-committees.
- 19) Set the number of other companies in which President & CEO may hold position of Director.
- 20) Set and approve a written corporate governance policy for the Company and review the policy and compliance to the policy regularly, at least annually.
- 21) Set and monitor a written code of business conduct and anti-corruption policy that all directors, executives and employees understand business ethical standards and guideline of the Company.

Vision

To be the world's most trusted seafood leader, caring for our resources to nurture generations to come.

Mission

To be the seafood industry's leading agent of change, making a real positive difference to our consumers; our customers and the way the category is managed.

Goal

We are committed to "Healthy Living, Healthy Oceans." With a focus on health and wellbeing across our Group's portfolio, we will strengthen the growth and profitability of our core businesses and expand into new, attractive areas. We will continue to lead the industry on sustainability while attracting and retaining talent.

Big 6 Values

- | | |
|---------------|--|
| Passionate | – Ambitious for growth, Retains winning spirit, Seeks to be the best/expert |
| Humble | – Believes in continuous improvement, Avoids arrogance, Listens attentively and actively |
| Respectful | – Treats others as you would be treated, Embraces differences and diversity, Is conscious of other's opinions and time |
| Responsible | – Takes ownership, is accountable, Follows through on commitments, Considers long-term context |
| Collaborative | – Identifies goals common to all members, Integrates diverse skills for best outcomes, Encourages and recognizes contributions |
| Innovative | – Is constantly curious, Willing to examine and adopt new ideas, Thinks out of the box |

Principle 3: Strengthen Board Effectiveness

The Board understands the roles and their own responsibility by dividing clearly between the Board and management to whom the Chairman and CEO are not the same persons. The Board defines the roles and control to supervise the operations of the management for ethical practices and according to effective policies, as well as not having conflicts of interest between stakeholders through the consistent disclosure of complete and accurate Company information.

3.1 Structure of the Board and proportion of independent directors

The Board of Directors consists of experienced and knowledgeable directors in various fields e.g. engineering, business management, accounting and finance, engineering, law, and Information Technology, all of whom have attended the Direct Accreditation Program of the Thai Institute of Directors Association (IOD).

The structure of the Board of the Company in 2020 consists of five committees as follows:

1. Board of Directors
2. Audit Committee
3. Executive Directors
4. Nomination and Remuneration Committee
5. Risk Management Committee

The Company has clearly established and separated the authority of each committee. The consideration of any important issues must be approved by each committee which has specific responsibilities before being proposed to the Board of Directors for consideration or acknowledgement so as to balance the power and ensure transparency and fairness to all related parties.



Proportion of Independent Directors on the Board

Board of Directors	Persons	Proportion
Executive Directors	6	50.00
Independent Directors	4	33.33
Non-executive Directors	2	16.67

Length of Directors' Tenure

Period of Tenure	Persons	Proportion
0 - 5 years	1	8.33
6 - 9 years	1	8.33
More than 9 years	10	83.34

Independent Director

Under the Corporate Governance Policy, at least one-third of board members and not less than three persons, must be independent directors with a 3-year term of office. These directors should be qualified and independent in line with the same qualification criteria described in the Notification Governing Qualifications and Responsibilities of Audit Committee established by The Stock Exchange of Thailand. In addition, a person qualified to serve as independent director must be able to perform duties to preserve the best interests of all shareholders in an equitable manner without conflicts of interest and be available in Board meetings to give independent and unbiased opinions and judgments.

Qualification of Independent Director

- Not hold shares more than 0.05 percent of total voting stocks of TU including stocks held by connected persons of the independent director, as well as nominees.
- Not be nor have been a major shareholder.
- Company or an executive director, employee, staff, advisor who receives the salary of a controlling person of TU, its parent Company, its subsidiaries or its associated companies.

- Not be any professional advisor.
- Not have nor have had a business relationship with the Company, its parent Company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, in the manner that may interfere with his independent judgment.
- Not be appointed as a representative of the Company's or its major shareholder's board members or a shareholder who is related to the Company's major shareholders.
- Not have any characteristics which make him or her incapable of expressing independent opinions with regard to the Company's business affairs.

The aforementioned definition of independent director is based on the Company's Corporate Governance Policy established by the Board. Moreover, the Company's criteria are stricter than "the criteria" required by The Stock Exchange of Thailand and the Securities and Exchange Commission in terms of stock holding ratio.

The Board of Directors

It is the duty of the Board of Directors to supervise the Company's operations to be conducted in accordance with the laws, the objectives and the regulations of the Company, the corporate governance policy and the resolutions of the Board of Directors' meetings, the Company's vision, the goals, the business policy, and the direction of the Company's operations. The Board of Directors also monitors the performances of the directors to ensure they are carried out with morality and effectiveness in pursuant to the stipulated policy, and to make

certain that conflicts of interest shall not be made between the stakeholders of the Company by disclosing the Company's information in a complete, accurate and constant manner.

The Composition of the Board of Directors

The Board of Directors is comprised of directors who are knowledgeable, experienced and competent in the various aspect the business. As at 31 December 2020, the Board of Directors was comprised of 12 members.

Board of Directors	Persons	Date First Appointed
1. Kraison Chansiri	Chairman	17 March 1988
2. Cheng Nittinanon	Executive Chairman	8 April 1999
3. Thiraphong Chansiri	President & CEO	1 January 1990
4. Chuan Tangchansiri	Executive Director	17 March 1988
5. Ritirong Bonneschote	Executive Director	5 January 1998
6. Shue Chung Chan	Executive Director	30 April 2001
7. Noto Saigesa	Non-Executive Director	5 April 2019
8. Ravinder Singh Grewal Sarjit S	Non-Executive Director	15 November 2010
9. Sakdi Kiwkanikha	Independent Director	22 August 2000
10. Thannoon Ananthathai	Independent Director	22 March 2010
11. Kirati Assakul	Independent Director	22 March 2010
12. Nart Luichareon	Independent Director	3 April 2015

Paralee Sukhatungka, Company Secretary

Authorized Directors to Sign Contracts Sub-committees

At least two directors of the Company shall assign and affix the Company's seal, or in some cases the directors may appoint names as the authorized directors.

The Board of Directors set up five sub-committees, that consist of the set of directors and the set of directors working with the management team, to prescreen the issues before bringing the important ones to the consideration of the Board of Directors as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Executive Committee (ExCom)
- Sustainable Development Committee



The Audit Committee

Membership and meeting attendance 2020

Name	Position	Status	Meetings Attended
1. Sakdi Kiewkanhka	Chairman	Independent Director	12/12 (100.0 percent)
2. Thannoon Ananthothai	Member	Independent Director	10/12 (83.3 percent)
3. Nart Luchareon	Member	Independent Director	12/12 (100.0 percent)

The Audit Committee was established by the approval of the Board of the Directors on 15 November 1999 for the purpose of supporting and acting on behalf of the Board of Directors to review the financial information to be presented to the shareholders and other stakeholders, and to review the risk management systems, the internal control systems, the internal audits and good corporate governance, and to control the anti-corruption measures as well as to review the financial reports' preparation for the Company's transparent and trustworthy operations and disclosure of information.

The Audit Committee must be directors of the Company who are qualified as independent directors and consist of not less than three members, comprised of one Chairman of the Audit Committee and two audit committee members and at least one of them must possess sufficient knowledge and experience in order to perform his/her duties of reviewing the credibility of the financial statements. All three are independent directors who have the qualifications required by the Office of Securities and Exchange Commission and are experts in accounting and finance, corporate management and laws. Nevertheless, all independent directors do not hold the position of director, employee or consultant of the Company.

The Audit Committee shall hold at least 12 meetings per year and report their performance to the Board of Directors at least once a year.

Role of the Audit Committee

The duties of the Audit Committee are as follows:

1. Review the appropriateness of the financial reporting system and disclosure of information in its financial statements in accordance with the legally defined Financial Reporting Standards, with transparency, correctness, and adequacy
2. Encourage the development of a financial reporting system equivalent to International Financial Reporting Standards.
3. Review the compliance of the Company's Internal Control System with Internal Control Framework (COSO 2013) and the appropriateness and the effectiveness of the Company's Internal Audit System in accordance with internationally accepted approaches and standards.
4. Review "The Assessment Form of the Adequacy of the Internal Control System" as audited and assessed by the Internal Audit Team to ensure that the Company has sufficient internal control systems.
5. Review the presence of a proactive preventive system to enhance operating effectiveness and efficiency and review the preventive measures in the organization and review the internal processes of the whistleblower system.
6. Review the internal audit process and the corporate risk management system.

7. Review the Company's Compliance Procedure in accordance with the Securities and Exchange Act, rules, regulations and other laws relevant to the Company's business and the resolution of the Board's meeting.
8. Review the correctness and effectiveness of the information technology system relating to internal controls, financial reports, risk management and data & network security together with suggested updates and improvements as needed.
9. Consider connected transactions or those having possible conflict of interest to ensure compliance with all pertinent laws and requirements of The Stock Exchange of Thailand.
10. Review the execution of the audit committee members' performance assessment, both as a whole and self-assessment, of the audit committee annually.
11. Review and give the opinion toward the audit practices of the Internal Audit Team and coordinate with external auditors.
12. Prepare the Audit Committee's report to be disclosed in the Company's Annual Report and duly signed by the Chairman of the Audit Committee and containing opinions on various matters as required by the SET.
13. Consider, select and propose the appointment, or discharge an independent person to perform the duties of, the Company's auditor and also propose the remuneration of the Company's external auditor and evaluate the effectiveness of external auditor's performance and organize meetings with the Company's external auditor, without the attendance of management, at least once a year.
14. Approve the internal audit plan, budget and manpower of the Internal Audit Team.
15. Review the execution of the Internal Audit Team for the performance assessment according to international standards.
16. Provide recommendations in respect of appointment, removal, transfer, or dismissal of the General Manager – Audit Unit.
17. Consider the independence of the Internal Audit Team based upon the execution of work, reports, and line of command.

18. Review the adequacy of the good corporate governance systems both of the domestic and foreign subsidiary companies.
19. Consider the external consultants to provide the suggestions or assistance in the operations of internal audit.
20. Review the Audit Committee Charter and Internal Audit Charter to be the proper charter at least once a year.
21. Visit the business units of the Company and the domestic and foreign subsidiary companies to review the risk management and internal control systems, information systems including cyber security, the important operational systems and regulations as well as problems and comments of the external auditors and the internal audit team.
22. Review the Company's Anti-corruption procedures to ensure the effective compliance with the governance bodies' guidelines starting from assessing the risks, strengthen internal control system, auditing, as well as reviewing the self-assessment form regarding anticorruption measures as assessed by Audit Unit, and to ensure that the Company has exercised the Anti-corruption systems as reported in the self-assessment form guided by Thai Institute of Directors (IOD).
23. Perform other actions as required by law or as assigned by the Board of Directors under the consent of the Audit Committee.

To fulfill its duties under its scope of responsibilities, the Audit Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings, or submit necessary documents. In addition, the Committee may seek independent opinion from professional consultants as deem appropriate, at the Company's expense.

The Audit Committee performs duties within its responsibilities under the order of the Board of Directors. The Board of Directors is responsible for the Company's operations and is directly accountable to shareholders, stakeholders, and the public.



Responsibilities of the Audit Committee

- In case the Audit Committee is informed by the auditor about suspicious behavior of directors, managers or persons responsible for the business operations of the Company, which may violate paragraph 2 of Section 281/2, Section 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the Audit Committee is to investigate the case and submit a preliminary report to the Securities and Exchange Commission (SEC), as well as to the auditor, within 30 days of the date it is informed.
 - Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the Company, the Audit Committee is to report such events to the Board of Directors in order to find a remedy within a period deemed appropriate by the Audit Committee.
- Details of the operations of the Audit Committee have been disclosed in the Audit Committee Report on page 196.

Should the Board of Directors or management fail to remedy the issues within the timeline specified by the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET.

The Nomination and Remuneration Committee

Membership and meeting attendance 2020

Name	Position	Status	Meeting att.
1. Thammoon Ananthithai	Chairman	Independent Director	2/2 (100 percent)
2. Sakdi Kiewkamkha	Member	Independent Director	2/2 (100 percent)

Role and responsibilities

- The Board of Directors has set up the Nomination and Remuneration Committee since 1 November 2010 for a period of three years for each term. The Committee is comprised of one Chairman of the Nomination and Remuneration Committee and one member of the Nomination and Remuneration Committee. Both members are independent directors and have the qualifications required by the Office of Securities and Exchange Commission. They are knowledgeable, competent and experienced and thoroughly understand their duties and responsibilities.
- Set the Company's policy and criteria on the nomination and selection of candidates for the membership in the Board of Directors and sub-committees, and propose a list of candidates to the Board of Directors for approval.
 - Consider the criteria for succession for high-ranking executives.
 - Consider and propose financial and non-financial compensation for the members of the Board of Directors and sub-committees.

- Propose compensation for the Company's directors to the Board of Directors for consideration and subsequent approval by the Shareholders.
 - Propose compensation for members of the sub-committees to the Board of Directors for approval.
 - Propose compensation for the Company's President and Managing Directors to the Board of Directors for approval.
 - Review proposals from the Company's management about remuneration policy for staff, as well as non-wage benefits, and recommend the matters to the Board of Directors for approval.
- Details of the operations of the Nomination and Remuneration Committee have been disclosed in the Nomination and Remuneration Committee Report on page 198.

Details of the operations of the Nomination and Remuneration Committee have been disclosed in the Nomination and Remuneration Committee Report on page 198.

The Risk Management Committee

Membership and meeting attendance 2020

Name	Position	Status	Meeting att.
1. Kirati Assakul	Chairman	Independent Director	7/7 (100.0 percent)
2. Sakdi Kiewkamkha	Member	Independent Director	7/7 (100.0 percent)
3. Thammoon Ananthithai	Member	Independent Director	7/7 (100.0 percent)
4. Thiraphong Chansiri	Member	Executive Director	7/7 (100.0 percent)
5. Shue Chung Chan	Member	Executive Director	5/7 (71.4 percent)

Role and responsibilities

- The Board of Directors has set up the Risk Management Committee since 1 November 2010 for a period of three years for each term. The Committee is comprised of three independent directors, two directors, and the chief executive administrators of the main business while most of the directors are independent directors whose qualifications meet the standards required by the Office of Securities and Exchange Commission. They are also knowledgeable, competent and experienced and thoroughly understand their duties and responsibilities.
- Establish the risk management policy and framework.
 - Continuously monitor and develop the risk management framework and risk management process of the Company and its subsidiaries, aligned with international guidelines.
 - Oversee the continuous activities of assessment, analysis and review of the Company and its subsidiaries' significant risks, under normal and crisis conditions.
 - Consider and provide comment on the Company's risk appetite and risk assessment criteria.
 - Acknowledge and provide comment on the adequacy and appropriateness of risk assessment results and mitigations.



6. Oversee the implementation of risk management, aligned with the risk management framework.
7. Regularly report the Company's significant risks, mitigations and improvement to the Board of Directors.
8. Encourage a risk management culture and cooperation in the Company and its subsidiaries.
9. Oversee and support the risk management function to be aligned with the Company's policies and objectives.
10. Communicate and share the information of significant risks and mitigations with the Audit Committee at least yearly.
11. Provide comments and recommendations on the use of external advisors regarding risk management framework, scope and implementation.

Group Executive Committee (ExCom)

Membership and meeting attendance 2020

Name	Position	Meeting att
1. Cheng Nirdinanon	Executive Chairman	6/6 (100.0 percent)
2. Thiraphong Chansiri	President & CEO	6/6 (100.0 percent)
3. Rittirong Boonmeechote	President of Global Frozen and Related Business	6/6 (100.0 percent)
4. Joeng Aylee	Group Chief Financial Officer	6/6 (100.0 percent)

In 2019, the Board of Directors approved the setting up of the Executive Committee ("ExCom") to act on behalf of the Board. They shall approve the acquisition or disposal of the assets without the submission of the Board of Directors within the limit of not more than USD 100 million. As a listed company on The Stock Exchange of Thailand, it is an obligation of the Company to notify to the SET on an acquisition or divestment of capital investment or M&A transactions if the deal size is equal to or greater than the criteria as provided in SEC regulation. In general, it would be at 15 percent of Net Tangible Asset of the Company or the Consolidated Company. In this regard, if considering the financial statement of FY2020 which is the latest audited financial statement, the 15 percent of Net Tangible Asset is equivalent to USD 100 million. The ExCom LIMIT should be changed annually and automatically as per the annual financial statement to reflect the growing size of the Company

Separation of Roles and Duties of the Board of Directors

The Company clearly specifies and separates the power of the Board of Directors from the Management in each level. The consideration of any important issues must be approved by the Board of Directors and subcommittee so as to balance the power and ensure transparency and fairness to all related parties.

Separation between Chairman of the Board of Directors and Chief Executive Officer

The Chairman and Chief Executive Officer of the Company is not the same person, clearly separating between policy and management.

Role and Responsibilities of Chairman of the Board of Directors:

1. The Chairman of the Board of Directors meeting has to preside over the meeting, except if they are absent or cannot perform their duties.
2. Consider the agendas of the Board of Directors meeting.
3. Oversees policy advocacy and strategic performing manner of the Company's management but shall not practice in the daily operation.
4. Monitor the meeting effectively according to Company policy and encourage all directors to express their opinions independently.
5. Support and encourage the Board of Directors' duties, responsibilities and the principles of good corporate governance.
6. Oversees and follows up on the performance of the Board of Directors and other sub-committees to achieve the Company's objectives.
7. Decides in the case that the Board of Directors meeting votes are equal.

Role and Responsibilities of Chief Executive Officer (CEO)

The Chief Executive Officer is designated by the Board of Directors as an authorized person to manage, including policy-making, decision-making and corporate decision-making, including the following:

1. Administering the Company's business and day-to-day operations to be in line with the objectives, articles of association, policies, rules, regulations, instructions and resolutions of the Board of Directors Meeting and/or resolutions of the Shareholders Meeting.
2. Arrange to prepare the Company's business policies, business plans and budget to be proposed to the Board of Directors for approval and has a duty to report the progress on such approved business plans and budget to the Board of Directors.
3. Ensure the Company's overall business growth in accordance with the Company's objectives and business plans.
4. Authorized to act on the Company's behalf to enter into contractual arrangements as prescribed in the Company's policy and procedures regarding the operational approval authority.
5. Ensure good governance, compliance with the law, ethical standards and anti-corruption policy.
6. Maintain good relationship with the stakeholders.
7. Communicate effectively in positive image with public, shareholders, customers and stakeholders.
8. Manage the Company's HR operation to issue/amend/ add/ update rules and regulations and personnel policies and procedures.



9. Be authorized to sub-authorize and/or delegate other persons to perform specific duties on his behalf. Such sub-authorizations and/or delegations shall be within the scope of authorization or delegation in accordance with the power of attorney granted and/or shall be in accordance with the internal regulations, rules or instructions given by the Board of Directors and/or the Company. The authorization of duties and responsibilities of the CEO shall not constitute an authorization or sub-authorization which may cause the CEO or his authorized person(s) to be able to approve any transaction in which they, or any person who may have a conflict of interest, may have an interest or may gain benefit in any manner, or in which they may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the Shareholders Meeting or the Board of Directors Meeting.

Therefore, the Chief Executive Officer is also required to hold a position of director of no more than three companies in non-affiliated companies, by holding such positions must not affect the performance of the CEO duties.

Executive Directors

Authority of Executive Directors

1. Implement the Company's policy, which obliges to laws, conditions, regulations, and rules of the Company except for those issues subject to the consent of Shareholders.
2. Set, propose and devise business policy and strategy to the Board of Directors.
3. Set business plan, business management authority, annual budget estimation, and budget allocation to the Board of Directors for review and approval, as well as follow the business plan and strategy in accordance with the corporate policy and business guidelines to propose to the Board of Directors.

4. Handle general business administration, set up organization and management structures to cover all aspects of personnel recruitment, training, employment, and employment termination.
5. Approve credit facility requests made to financial institutions, including giving collateral or making any payment for normal business transactions, e.g. payment made for branch expansion investment or any regular business operations. The approval of the said credit facility must involve or the value as approved by the Board of Directors. However, the credit facility value allowed for approval may be subject to change as deemed appropriate depending on the consideration of the Board of Directors.
6. Appoint or dismiss any employee holding a position lower than managing director.
7. Perform other duties as assigned by the Board of Directors.

In addition, the above-mentioned approval authorities must not be in nature of any business transactions that allow executive directors, or their authorized persons, to grant further approval for transactions that involve a conflict of interest, vested interest, or any other forms of conflicts of interest (according to the Company's articles of association and pursuant to the Notifications of the Office of the Securities and Exchange Commission and The Stock Exchange of Thailand) with the Company or its subsidiaries. An exception is made for approval given for business transactions in accordance with corporate policy and criteria approved by the Board of Directors, provided that executive directors with vested interest in such issues are not eligible for voting rights. The Board of Directors is authorized to make changes to the authority of the executive directors as deemed necessary or appropriate.

3.2 Chairman of the Board of Directors

The Chairman of the Board of Directors has the duties to oversee policy advocacy and the strategic performing manner of the Company's management but shall not practice in the daily operations, monitors the meeting effectively according to Company policy and encourages all directors to express their opinions independently, supports and encourage the Board of Directors' duties, responsibilities and the principles of good corporate governance, and decides in the case that the Board of Directors meeting votes are equal

3.3 The Nomination of Directors and Terms of the Directors

Nomination Process

The Nomination and Remuneration Committee is responsible for nominating the director, who has knowledge, capability, work experience, integrity, ethics and dedicates the necessary time for the Company to share the skill and experience in business and working for the Company. The objective is for the Board's composition for the business directors and do not have any prohibited qualifications stated in the Public Company Act B.E. 2535 and other related laws. The directors must contribute their time and knowledge in their performance in the Company

The Nomination and Remuneration Committee shall propose the lists from a director pool or professional search firm to the Board for a director, whose qualifications are deemed appropriate and qualified pursuant to the Public Companies Limited Act, as follows;

- Directors may be re-elected after the expiration of the term of office except when the director position becomes vacant not by rotation, the Nomination and Remuneration Committee will be nominating a suitable candidate and propose to the Board of Directors' Meeting in order to appoint a substitute director to fill the vacant position as required by the Articles of Association. A substitute director appointed to fill interim vacancy shall be in the office only for the remaining tenure.

- At every Annual General Meeting of Shareholders, one-third of directors are to retire. If the number of the directors is not divisible, the number of retiring directors is to be closest to the one-third ratio. The Nomination and Remuneration Committee will nominate candidates for consideration of the Board of Directors before being proposed to the Annual General Meeting of Shareholders for election to replace the directors who retire by rotation according to criteria and procedures set forth below.

1. Each shareholder has a right to vote in proportion to share volume owned; the principle of "one share, one vote" is applied.
2. Each shareholder is required to cast the entire vote owned in one for one or more candidates but cannot split the vote into portions.
3. Candidates shall be entitled to a directorship based on votes received. A candidate with maximum votes is first entitled to directorship and followed by the other candidate with less votes respectively. As rule, the number of newly appointed directors must not exceed the number of new directors intended in that election.

Shareholders, if necessary, may pass resolutions to remove any director prior to the statutory expiration of their office term provided (a) three quarters of majority votes of all shareholder's present at a meeting is recorded; and (b) the aggregate share volume owned by shareholders in (a) must be greater than half of the aggregate share volume owned by all shareholders present at the meeting. Such case shall be effective only when the qualifications of all board members and the management comply fully with Section 68 of the Public Companies Limited Act of 1992 and the SEC's Regulation Governing the Rules, Conditions and Procedures for the Securities Offer and Permission dated 18 May 1992.



In 2020, at the Annual General Meeting of Shareholders on 16 September 2020, there were four directors who retired by rotation, namely:

1. Mr. Thiraphong Chansiri
2. Mr. Chuan Tangchansiri
3. Dr. Thammoo Ananthothai (Independent director)
4. Mr. Nart Luchareon (Independent director)

At the Annual General Meeting of Shareholders 2020, the resolution was passed by the majority of votes of all the votes of the shareholders attending the meeting and having the right to vote to reappoint all the four directors for another term of office.

The Board of Directors shall appoint any person deemed professionally recognized and qualified to act as an independent director provided that the appointee is (a) not an employee or staff member receiving a regular salary from the Company or its subsidiaries; (b) independent of major dominant shareholders; (c) a shareholder of not more than 0.05 percent of the respective paid-up capital of the Company; and (d) able to equally protect the interests of minority shareholders. The Board of Directors shall consider and vote to appoint qualified candidates and seek further approval during a meeting of shareholders.

Terms of the Directors

According to the Regulations of the Company, at each Annual General Meeting of Shareholders, it is required that the directors who hold the position for the longest period shall leave their position to make up 1/3 of the total number of the directors. If the total number of directors cannot be divided by three, the number of directors to leave the position shall be closest to 1/3 of the total number of directors.

In the case that a position of director has been deposited due to factors other than expired tenure, the resolution of the Board of Directors shall be based on votes of no less than three quarters of the remaining directors in order to select an individual who is qualified and does not have any characteristic trait that is prohibited by the laws of a public company to be a substitute director for the next Board of Directors' Meeting, except in the case where the term of the said director has less than two months remaining, such person shall hold the position of director for the remaining term of the substituted director.

Age and Term Limits

The Board of Directors believes that having experienced directors who continuously work with the Company increases the value of the Company, thus age and term limits have not been applied.

The regulations of the Company has been disclosed on the Company's website: www.thaiunion.com at Investor Relations -> Corporate Information

3.4 Remuneration for Directors

Details of the remuneration have been disclosed on page 44.

3.5 Sufficient time allocation of Directors

Holding the position of Director in other companies

The Company has a policy to limit the number of other listed companies in which each director may hold the position of Director to be no more than five. Nevertheless, holding such positions shall not affect the duty and performance of the director of the Company. Over the years, the Board of Directors has shown that they are able to dedicate their time for the performance of their duty. The Company has continuously and regularly received useful guidance, advice and recommendations on the business operations of the Company.

Name of Director	Other listed Company	Subsidiaries or other listed Company
1. Kransom Chansiri	-	-
2. Cheng Nudinnanon	-	-
3. Thiraphong Chansiri	1	-
4. Chuan Tangchansiri	-	-
5. Ritthong Boonmechote	-	-
6. Shue Chung Chan	-	-
7. Nont Saigrea	-	-
8. Ravinder Singh Grewal Sarjitjit S	-	-
9. Sakdi Kiewkamkha	-	-
10. Thammoo Ananthothai	1	-
11. Kirati Assakul	1	-
12. Nart Luchareon	-	-

Policy on the Position of the Chief Executive Officer in Other Companies

The Board has a policy that the Chief Executive Officer is also required to hold a position of executive director of no more than three companies in non-affiliated companies, by holding such positions must not affect the performance of the CEO duties.

In order to enable the Chief Executive Officer to dedicate his time to the performance of his duties as the Chief Executive Officer for the utmost benefit of the Company, it is the policy established by the Board of Directors that the Chief Executive Officer must not serve as a Chief Executive Officer in other listed companies.

Board Meetings Schedules

The Board of Directors has set the standards for a general meeting to be conducted at least five times a year in February, May, August, November and December and informs the dates of the meetings in November every year so that the directors can attend all meetings and may set additional schedule, if necessary.

The Corporate Secretary will send out the tentative meeting schedule in advance so that the directors are informed and be able to plan for the meeting. In 2020, there were seven meetings as dates following.



Board meeting

Meeting date

BOD 1/2020	17 February 2020
BOD 2/2020	17 March 2020
BOD 3/2020	27 March 2020
BOD 4/2020	5 May 2020
BOD 5/2020	11 August 2020
BOD 6/2020	4 November 2020
BOD 7/2020	17 December 2020

Board Agendas

The Chairman of the Board of the Directors and the Chief Executive Officer collaborate to set the agenda for the meeting while other directors may also present their agenda for consideration. The Company Secretary may also present agendas which are related to the rules and regulations to complete the list.

Board Minutes

It is the duty of the Company Secretary to provide the minutes and present to the Chairman of the Board of Directors and to verify and deliver them to each director for comment. A meeting report shall consist of minutes of the resolutions of the meeting along with sufficient and accurate data and information.

Distribution of Invitation letter and Supporting Documents

It is the duty of the Company Secretary to distribute the invitation letter and supporting documents to the meeting along with the agenda and the documents to the directors no less than seven days in advance, except for matters which need urgent consideration.

Meeting Attendance

The Directors of the Company are committed and always prepared to attend meetings, including the Board of Directors' Meetings, the Sub-Committees' Meetings, and the Annual General Meeting of Shareholders. Details of meeting attendance have been disclosed on page 44.

Board Meetings and the Quorum

The Board of Directors has set the quorum with a minimum of at least two-thirds of the total members of the directors in order to make a quorum and while they shall vote in the meeting. The Chairman of the Board shall be in charge and allocate sufficient time for each agenda so that the directors may express their opinions while the executives who are involved with that particular agenda present the data and information for an exchange of views. Each meeting shall last 1 - 3 hours.

Meeting of the Non-Executive Directors

The Board of Directors encouraged the non-executive directors to have meetings without the presence of executive directors so that the non-executive directors could independently debate and discuss issues with respect to management in their interest without the involvement of the management party. The Board of Directors scheduled the meeting of the non-executive directors one time in 2020 in which all of the Company's four non-executive directors attended the meeting.

3.6 Governance framework and practices of subsidiary and associated companies

The Board of Directors is responsible for overseeing the policies and operations of subsidiaries and associated companies that the Company has invested significantly and compliance with our main business plan. In addition, the Board must control the operations of the Company and subsidiaries to comply with the regulations of the SET with details summarized as follows:

1. Appoint their representative to be the director or executive of subsidiaries and associated companies in order to monitor the operation of such companies to be in line with the Company's policy.
2. Monitor the operation of subsidiaries or associated companies and sets guidelines to control the operation of such companies.
3. Control the business operation of subsidiaries or associated companies to meet the policy, goals, operation plan, strategy and budget, that are approved by the Board.
4. Approve the budget, transactions of acquisition or disposition of assets, borrowing from financial institutions, lending, capital increase and decrease or business closure that may significantly affect subsidiaries or associated companies' operations.
5. The Audit Committee shall review the accuracy and reliability of financial reports, internal control systems, internal auditing works, related party transactions, compliance with related laws and regulations as well as monitoring and controlling of subsidiaries and associated companies' operations.
6. The Risk Management Committee shall consider the policy and risk management guidelines of subsidiaries and associated companies.

3.7 Self-Evaluation of the Directors and the Evaluation of the Board of Directors, Sub-Committee and Chief Executive Officer

The Company has set up a policy of self-evaluation for the Board of Directors at least once a year since 2013. The objective was to assist the directors in evaluating performance, issues and obstacles in the previous year as guidelines for improvements and a more effective performance of the Board of the Directors. The Board of Directors has assigned the Nomination and Remuneration Committee to implement the evaluation process.

1. 60 and Lower – Below Standard
 2. 61 - 80 percent - Fair
 3. 81 - 90 percent - Good
 4. Over 90 percent - Very Good
- The evaluation has been categorized in the following topics:

- Directors Self-Assessment
1. Core Competency
 2. Independence
 3. Preparedness
 4. Practice as a Director
 5. Board Activities
 6. Development of Organization
- Board of Directors Performance Assessment
1. Structure and Qualification of the Directors
 2. Role, Duty and Responsibility of the Directors
 3. The Board of Directors' Meetings
 4. Performance of the Directors
 5. The Relationship with the Management team
 6. Self-development of the Directors and the development of the Executives
- Sub-Committee Performance Assessment
1. Committee Composition
 2. Operating Practice
 3. Committee Governance



CEO Performance Assessment

- Leadership and Managerial Qualities
- Strategic Direction Setting
- Monitors Strategic
- Planning and Performance
- Board Relations
- Community Relations
- Management and relationship with employees
- Succession Plan
- Knowledge and Skills
- Personal Qualification

The Company secretary has sent evaluation forms of the Board of Directors to the directors, which summarized and presented the evaluation results to the Board of Directors in order to achieve the above-mentioned objectives.

The evaluation of the performance was as follows:

- Board Evaluation with an average score at 95 percent
- Director Evaluation with an average score at 95 percent
- Committee Evaluation with an average score at 95 percent
- CEO Evaluation with an average score at 98 percent

The Directors of the Company who reside in Thailand have attended various workshops conducted by the Thai Institute of Directors (IOD) and other institutions as follows:

Continuous Development Program	1	2	3	4	5	6	7	8
Director Certification Program (DCP)		10/2001			10/2002 2/2006 1/2013	13/2011 7/2006 1/2013	70/2006 27/2003	
Director Accreditation Program (DAP)								1/20/2015
The Role of Chairman Program (RCP)	15/2007					4/2001 9/2009	14/2006	5/2007
The Role of Compensation Committee (RCC)								
Audit Committee Program (ACP)							10/2005	
Understanding the Fundamentals of Financial Statement (UFS)							7/2007	
How to Develop a Risk Management Plan (HRP)						2/2012		

3.8 Board Orientation and Continuous Development of Directors

Orientation of New Directors

The Company has supplied a manual for new directors to be informed of the information of the Company, the objectives, the Articles of Association, the organization structure, the rules and regulations and important policies, the operations of the Company, which are necessary to facilitate the new directors to perform their duties as a director immediately and express their opinions in the meetings.

In 2020, there is no appointment of new directors so the orientation for new directors has not been organized.

The Board of Directors gives importance to capacity development of directors and encourages the directors to attend training courses or seminars that are beneficial for their performance. All directors are welcome to constantly improve their knowledge through training in order to effectively carry out corporate governance of the Company. In 2020, Mr. Thiraphong Chansiri and Mr. Ritrong Boonmechote, executive director, attended management courses at reputable institutions.

Continuous Development Program	1	2	3	4	5	6	7	8
Handling Conflict of Interest (HCI)						4/2008		
TICA Executive Development Program			2/2009		1/2009			
Advance Audit Committee Program (AACP)						20/2015		2017
National Director Conference (NDC)						2016		
Audit Committee Forum (ACF)						2016		2016
A discussion on a corporation's preparedness for cybersecurity threats in the digital transformation Era						2016		
The Audit Committee's Role in Compliance and Ethical Culture Oversight						2017		
Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance						2018 2019		
Dealing with Cyber Risk in the Boardroom						2018		
Preparing for cash flow statements, Ministry of Commerce						2016		
Senior Executive Program: Capital Market Academy	12/2011		25/2017					
Advanced Master of Management Program (Class 1): NIDA			2018					
Thailand National Defence College (TNDC), The National Defence Studies Institute		2019 - 2020						
The Programme of Senior Executives on Justice Administration, National Justice Academy Judicial Training Institute Office of the Judiciary			2020					

Name of directors

- Kraisorn Chansiri, Chairman
- Thiraphong Chansiri, Executive Director and Chief Executive Officer
- Chuan Tangchansiri, Executive Director
- Ritrong Boonmechote, Executive Director
- Shue Chung Chan, Executive Director
- Sakdi Kiewkankha, Independent Director
- Thammoon Ananthothai, Independent Director
- Kirati Assakul, Independent Director
- Natt Luchareon, Independent Director

Remark: No. 7 Dr. Thammoon Ananthothai is invited as a lecturer in the program of the Thai Institute of Directors.



3.9 Access to Necessary Information

Conflicts of Interest

The Board has also provided summary reports for each quarter and will publish the summary on the last day of the year in the Annual Report and the Annual Registration Statement (Form 56-1). Furthermore the Company has requested the Directors and the Executives to report to the Company on gains and losses of their own or those who are related, particularly on the gains and losses which are related to the management of the business of the Company and its subsidiaries in order to provide the Company with information for business operations in accordance with the regulations on connected transactions, which may raise conflicts of interest and may lead to transfers of benefits of the Company and its subsidiaries in compliance with Section 89/14 of the Securities and Exchange Act B.E. 2551 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and the Notification of the Capital Market Supervisory Board No. TorChor. 2/2552 Re: Report on interest of Directors, Executives and Related Persons which stipulates that a director and an executive shall file with the Company a report on his interest or a related person's interest in relation to management of the Company.

The Board of Directors has stipulated the measures to take care of and monitor transactions which may present conflicts of interest as well as connected transactions by prudently and independently determining the appropriateness of transactions under the framework of good corporate governance which has been constantly practiced for the benefits of the Company as if transactions have been conducted with third parties.

The Company Secretary

The Board of Directors has made a resolution to appoint a Company Secretary on 14 December 2007. The selected candidate was Mrs. Paralee Sukhalingka, 53, who holds a Master's Degree from the Faculty of Commerce and

Management Team

As at 31 December 2020, the Company's management team, as defined by the Securities and Exchange Commission, consisted of the following persons:

Name	Position
1. Thiraphong Chansiri	President and Chief Executive Officer
2. Rittirong Boonmechote	President of Global Frozen and Related Business
3. Joerg Aytle	Group Chief Financial Officer
4. Shue Chung Chan	Group Director, Corporate Office
5. Darian McBain	Group Director, Sustainability
6. Tunyawat Kasamsuwan	Group Director, Global Innovation
7. Patrick Bertalanffy	Group Director, Strategy
8. Kulshaan Singh	Group Director, Human Resources
9. Leonardus Coolen	Managing Director, Thal Union Ingredients
10. Arunat Surattanajindaporn	Deputy General Manager, Accounting and Controlling

4.1 Succession Planning for Top Executive Positions

The Human Resources Department will coordinate the succession plan by arranging a joint meeting between key management and top HR management, both to strengthen business potential and reduce operation risks.

The succession planning for Thal Union is divided into two categories as follows:

1. Succession planning for critical position to insure success for the business is to plan for a successor depending on the readiness of the position, which is divided into three groups as follows:
 - a. Short term: Ready Now or ready within one year
 - b. Mid-term: Ready within 2 - 3 years
 - c. Long term: Take more than 3 years to be ready

2. Succession for Emergency Plan: Preparation of an emergency successor candidate in a critical period. The Company encourages individual parties to name a successor in the event of an emergency, it can be divided into sections and each section has the name of the responsible appointee.

The Board of Directors has recognized the importance of the succession planning in the top executive administration of the organization, particularly for organizing the leadership position as President and Chief Executive Officer of Global Frozen and Related Unit, including the top administration position of the Company in each region, which is an important part to be successful in the organization. By implementing a Human Resources Department coordinator to consider criteria and succession planning both foreign and domestic would keep the confidence high for stakeholders.

The Company has a policy to review the critical positions in the organization, the direct affect to business profits and corporate goals. The procedure is to consider the positions systematically each year so that it will be used in succession planning both long and short term.

Accountancy, Thammasat University and attended the training of Company Secretary Program and Anti-Corruption - The Practical Guide 2016, conducted by the Thai Institute of Directors (IOD). Mrs. Paralee will provide support and assistance to the activities of the Board of Directors for the right direction of corporate governance with more accuracy, transparency and efficiency. The assignments under her roles and responsibilities are as follows:

- Taking care of and arranging the Shareholders' Meetings, writing the Meeting Reports, and securing them in a safe place and arranging them in a chronological order.
- Taking care of and arranging the Board of Directors' Meetings and writing the Meeting Reports and compiling related documents.
- Ensuring that the Board of Directors performs under the laws and the related regulations.
- Suggesting guidelines related to corporate governance to the Board of Directors and the Executives.
- Being in charge of reports and disclosures in accordance with the laws.
- Monitoring to ensure implementations are carried out in accordance with the resolutions of the Board of Directors' Meetings and the resolutions of the Shareholders' Meetings.
- Implementing all matters with accuracy and completeness in accordance with the Public Limited Companies Act, the Securities and Exchange Act, the Announcement and Regulations of the Capital Market Supervisory Board, including laws and other related rules.

Principle 4: Ensure Effective CEO and People Management

The Board of Directors gives importance to personnel who will be in top executive positions, which are important management positions such as Chief Executive Officer including other positions equivalent to the Managing Director of subsidiary companies by considering knowledge, ability, experience that is consistent with the strategy and goals of the Company. Therefore, the Board of Directors must oversee the recruitment of such personnel appropriately.



Succession planning in this category will have Group Corporate, Regional and Business Categories. In addition, the Company has a development readiness plan for an individual successor by analyzing their knowledge, abilities and skill development requirements. The successor should be ready to take over immediately whenever the Company needs. Such a development plan will be reviewed every year with the direct leadership of the successor and the committees who are selected by the Company in each position level.

4.2 Compensation Structure and Performance Evaluation

Compensation Structure

The preparation process for succession planning of the position will be parallel with the Talent Review Process and Individual Development Plan. Human Resources, in cooperation with the management of each department, will jointly evaluate an employee's potential and individuality. They will develop a clear plan, especially for the successor. Moreover, any employees who have a high potential will provide analysis in capabilities in order to advance the development plan, including employees being informed of career goals and employees' expectations throughout monitoring and evaluation of their development frequently.

The payouts policy for both short and long term is consistent with the results of the Company's operations by targets and measures each year in accordance with the Company's long-term strategic plan, called Enterprise Objective. The measurement has four elements as follows:

1. Drive Superior Financial Performance – driving excellence in financial management and capital efficiency usage.
2. Accelerate Growth focused on innovation and premiumization of product portfolio, acceleration of reputational benefits and commercialization of sustainability initiatives, and developing new business in Tuna Oil and beyond

3. Improve Productivity through a culture of continuous improvement, SG&A optimization and cash management
4. Work on Business Fundamentals - upholding and role model Thal Union's core values, driving talent management and increase employee engagement, and developing a compelling long-term strategy and allocating resources to strategic and highest value opportunities.

The Company has determined the executive compensation as follows:

- Overall compensation to be in line with the same industry.
- The rate of bonus payments for the targeted achievement for both employee and Company, the Executives will receive the bonus money at the rate of 25 - 30 percent of annual salary

Performance Evaluation

Assessment of Business and Individuals goals are managed under Performance Management Process (PMP) for Senior Managers and Managers at Thal Union. This process is set across the organization in order to achieve the same direction of Thal Union's vision and yearly enterprise objectives with the three main objectives:

- Align individual goals with enterprise objectives and key initiatives to deliver the budget
- Monitor progress and action plan on individual goals
- Reward individual contribution

Enterprise Objectives are cascaded to each Business Unit and Group Corporate function. These Business/ Functional objectives are supported by a list of initiatives led by Business Leaders and Head of Group Function. The main and most critical initiatives are translated into individual Business Goals during the goals setting step of PMP, early January, and included behaviors and development goals to ensure managers embed the 6 values of Thal Union.

After sign-off, these goals are reviewed during the year and, finally assessed by Top Management to evaluate the Individual Performance of each Senior Manager.

Self-assessment and calibration are used to fuel the end-year review in order to pay for performance.

Principle 5: Nurture Innovation and Responsible Business

The Board perceives the importance of sustainability, that will set the standard for economic, social and environmental responsibilities following the United Nations' Sustainable Development Goals. To becoming the world's most trusted seafood leader, sustainability underpins our core business functions and serves as a measurable standard to which the Company align key decisions and practices. Aiming to take a leading role in supporting the seafood industry's sustainability objectives, the Company committed to the global sustainability strategy which can be classified into four areas as below:

1. Responsible Sourcing - Providing safe, legal and freely-chosen employment in our facilities and in supply chains is critically important to Thal Union.
2. Safe and Legal Labor - Traceability is the key to improving the transparency and operational practices of the entire seafood supply chain.
3. Responsible Operations - The way we operate must be environmentally responsible and show a duty of care for our workers.
4. People and Communities - At Thal Union we take responsibility for improving the lives of those living and working in the regions in which we operate.

5.1 Promote innovation and responsibility for the stakeholders

The Board perceives the importance of promoting innovation. The Company is committed to being the seafood industry's leading agent of change. Innovation is a strategic cornerstone of Thal Union. This will help drive sustainable growth and play an important role in shaping the future of the Company. The Global Innovation Center (GIC) is a world-class R&D facility to develop new products, packaging and processing, and thus add more value to the Company's seafood business. The GIC's main R&D facility, located in central Bangkok, conducts research related to fundamental studies of raw materials, new processing technology, and utilization of

restraw materials to create added value. The main focus is on 1) enhancing product quality, nutritional value and consumer satisfaction; 2) accelerating sustainability through smarter utilization of fishery resources, optimization of processes and technology and value creation of products; and 3) creating new corporate revenue streams from research and development tailored for new business growth.

The GIC leverages public and private partnerships with industrial entrepreneurs, government, and academia by innovating together and coordinating knowledge between academia and industrial entrepreneurs for the goal of the innovation to benefit the public.

As a global seafood leader, we have a responsibility to set the standard for social, environmental and economic performance across our operations and into our supply chains. Recognizing this responsibility to show leadership, we headed the calls of our stakeholders with SeaChange®. Thal Union's sustainability strategy with measurable commitments to delivering real, lasting changes in the way we operate. SeaChange® aims to drive a positive transformation throughout the global seafood industry

5.2 Responsible operations for society and the environment

The Board perceives the importance of the right of all stakeholders and equitable treatment, as the Company foresees the importance of their support and the mutual cooperation between the Company and the various groups of stakeholders, in that it can secure long-term business wealth, employment, financial stability and implementation to further the Company's objectives, goals, and strategies in support of sustainable value creation. Therefore, the Board is urging management to adopt responsible operations with high ethical, environment and society standards. Also to adhere to equitable treatment of all stakeholders as well as ensures that effective administration of internal controls and compliance controls are established and maintained, as summarized below



Responsibilities to Shareholders

The Company is determined to represent all shareholders efficiently through generating maximum long-term returns on investment and is committed to conducting business with transparency, to put in place reliable financial and accounting systems, and to deliver optimum shareholder satisfaction with regular and sustainable strong operational performance and continued growth. The executive board and all employees shall perform duties with integrity and make decisions in good faith and in fairness to major and minor shareholders alike, as well as for the good of relevant parties. They shall refrain from any activities that could cause conflicts of interest and serve self-interest. Confidential information shall not be divulged to outside parties while simultaneously paying attention to accurate, complete and punctual disclosure of material information to all shareholders in response to their unwavering trust and support given to the Company and provide the investment returns that satisfy the shareholders the most.

Responsibilities to Employees, Staff, and Workers

The Company treats employees equitably and fairly with no discrimination against nationality origin, religion, gender, marital status, language, or workforce rank, not associating with forced labor, child labor, human trafficking, and not supporting bribery or any form of corruption.

The Company has employee's compensation management policy to retain capable employees who are attracted towards the organization and focus on performance-based compensation in consideration of fairness within the organization, throughout the competitiveness in the labor market, as well as cultural, rules and regulations to be consistent with the mission and values of the organization. The Company sets the appropriate compensation comparable to compensation paid in the same industry by considering knowledge, experience and performance of individual employees, combined with parity within the Company's evaluation based on responsibility, task complexity, work experience and skills. In addition,

the Company has set the compensation management policy based on the employee's performance and operation's performance as motivation for performances.

Compensation to Employees, Staff, and Workers

The Company has provided fringe benefits which exceed the legal requirements i.e. provident fund, annual health check, health insurance plans, life insurance, accident insurance, gym, recreational activities so that employees can relax from work. The Company has allocated significant long-term benefits that help employees and their families of livelihood after retirement from the job in the form of a retirement pension and the most important thing is that each year the Company sets aside funds to ensure that the Company can pay the compensation to employees in accordance with their rights in the future to encourage employees to prepare the readiness of every department in the Company by coordinating with the twilight institutes to make activities for employees before retirement as follows;

1. Training with Samutsakhon community college for emerging risk occupational curriculum according to expertise and interests of the employees, such as Thai culinary arts baking and handicraft courses.
2. Training with the Sustainable Agriculture Foundation for growing vegetables without chemicals or in city areas.
3. Make a physical and mental health curriculum with Samutsakhon and Vichaivej hospital to take care of employees; moreover the retired employees will be congratulated by the executive administrators and given a gift for good intention and longtime dedication to work.

Compensation of employees is as follows:

1. Compensation relating to the short-term business performance including salaries, which have increased the rate of one time per year, annual bonus, provident fund that is available to employees at all levels by contributions from 25 percent to 10 percent of salary depending on the length of employment. In 2020, the Company contributed to the provident fund for employees totally THB 52.96 million.

2. Compensation relating to the long-term business performance, including of retirement paid to the conditions set forth in the Employee Handbook. The Company has set aside money for retirement for 2020 at the amount of THB 48.19 million and in 2020, the Company has paid money for the employee retirement totaling THB 30.42 million.

Human Capital Development

The policy of development of employees is to help unlock the potential in people and improve the value of resources of the organization. We believe that all personnel have the ability or an advantage of their own. The Company will help every employee to bring out their strength for the benefit of themselves and the organization, so that everyone has an opportunity for self-development and career advancement.

Developing people at every level is part of the Company's core strategy and an ongoing commitment from senior management. We focus on providing training and staff development by focusing on the changing attitude and practices in order to provide organizations with international standards by incorporating the classroom training, coaching, giving feedback and applying real on-the-job training. On-the-job training through training and development is done through these various methods:

- An on boarding process that facilitates a warm welcome, a smooth transition and a foundation for long-term success.
- Vocational, corporate values, cross cultural and Code of Conduct classroom training led by internal and external experts for employees so they can access the information and resources they need to become leaders in excellence.
- Mentoring, coaching and feedback mechanisms to provide support and build leadership capacity.
- Cross-functional projects to promote knowledge building, sharing and collaboration.
- Stretch assignment with coaching and learning resources available to foster growth.
- Job rotations to support skill set expansion and motivate inspiration, connections, including developing a long-term broad vision.

- International project assignments to enhance cultural competencies and language skills, adding value to current and future roles; and
- A structured and personalized follow-up process to access the Global Talent Development Program's impact and track talent development progress. Details of staff and management training in 2020 for Leadership, Industrial standard, Professional skill and On the job training are as follows:
Total hours of training: 106,702 hours.
Average number of hours per employee per person: 11 hours.

Moreover, the Company stresses the importance of communicating information concerning its business to all employees, such as when the CEO meets employees every six months to announce the annual targets, which also helps life spirits and morale.

Responsibilities to Customers

The Company's policy is to treat customers with the following responsibilities:

- The Company has produced quality food under Food Safety and traceability under standardized manufacturing process technology and appropriate technology including the development of new products and processes to ensure customer benefit and satisfaction.
- The Company determines the price of goods and services at appropriate level of detail and quality of customers' products and services demand.
- The Company runs as reasonable cost as possible while maintaining quality of service standards, according to the Company's customer requirements.
- The Company delivers high quality products and services to meet or exceed customer expectations and on-time delivery adhering to commitments given to customers.
- The Company treats customers with politeness, hospitable and honesty, pays attention to every customer with fairness, equality without bias.
- The Company complies with the contract terms or conditions, and if not viable, will inform customers in advance and find a solution to prevent irreversible damage to the stakeholders.



- The Company provides information regarding the instructions on the product features and specifications of goods and services, as well as how to use. The Company also keeps customers informed about the products and other services so there is no misunderstanding about the quality or condition of any products or services.
- The Company focuses on maintaining the confidentiality of customer information, not disclose customer's confidentiality or use for their own benefit.
- The Company also sets aside a special unit or appoints persons in charge of handling customer complaints and responding to those complaints without delay.
- The Company will not receive bribes from customers.

Responsibilities to Business Partners

The Company treats suppliers equitably and fairly in line with commercial conditions, is open to hear their opinions and suggestions to forge stronger business relations and places much attention on their commercial confidentiality.

Company policy has selected partners in consideration of the use of labor laws at all times, including communications, acknowledged to be aware of Labor Code of Conduct, including of safety, health, environment and energy conservation policies in the selection of partners and the price comparison or tender which must be approved by authorized personnel to ensure transparency in the procurement function.

Routine engagements have been channeled to various business functions such as marketing teams versus customers, procurement teams versus trading partners and suppliers, human resources versus employees, government relations and administrative functions versus government and local communities, finance teams versus financial markets and institutes, investor relations versus capital markets and investors, corporate communication versus media and public sectors, etc. In addition, some new key initiatives have been launched during the year, namely deploying sustainability features and capabilities to innovate as new sources of inspiration for customers, investing in resource sustainability in partnership with international NGOs), collaborating with academic institutions and

Operational activities:

- Preschools for children of our migrant and local workers in Samut Sakon province
- Assan economic community language learning center for interpreting and coordination in communication with the migrant workers.
- Pracharath project: The aim to improve the lives of the local community as well as boost the education standards of children across Samut Sakon, Samut Songkhram, Phetchaburi, and Prachuap Khiri Khan provinces consistent with the leadership project for CONNEXT ED in order to minimize inequality in society, development of people's potential, and increase competitiveness for students in public schools under the Office of the Basic Education Commission. Pracharath project of love and unity for Samut Sakon province supporting local businesses and helps to put them on a better commercial footing also to help drive the Thai economy at a grassroots level, allowing small business operators to generate more income for the local community such as agriculture, agriproduct processing, and community tourism.
- Providing nutritional information and nutritional training to local communities.

Operational Activities:

- Indian Ocean Tuna Purse Seine Fishery Improvement project in order to improve management of the three most important commercial tropical tuna species. With a commitment to seafood sustainability which is a part of our partnership with World Wildlife Fund (WWF).
- Capacity building program to our partner farms to help them improve their farm management practices and meet the standards of BAP to lead environmental standards, bio-safety, and water management.
- The Company together with International Union for Conservation of Nature (IUCN), Thailand's Department of Marine and Coastal Resources, and Department of Fisheries support various community-based initiatives in Koh Yao Yai, Phang Nga, to manage marine and coastal resources, to develop sustainable tourism and enhance livelihood resilience.
- The digital traceability pilot program will test scalable platforms for Electronic Catch Data and Traceability (ECODT) systems that utilizes mobile applications and satellite connectivity for solutions pertaining to illegal fisheries, the lack of reporting and without controls. It's the first time for the fishery industry of Thailand to use this communication system.
- Zero project to reduce greenhouse gas emissions.
- To use innovation and management approach effectively for reduction in water use and electricity.
- To use innovation development packages for reducing concerns about the environmental impact of things such as food waste, changing weather and plastics packaging in the oceans for the life cycle assessment project. In order to understand the process of packaging to adhere to the many standards required to protect the environment, starting with production, packaging, logistics and disposal procedures.
- Beach cleaning and protecting endangered species.

Responsibilities to the Environment

The Company realizes all its responsibilities to the environment while managing any negative impact on the environment from all aspects of the Company's operations. Sustainable objectives are goals of the Company and as the world's most trusted seafood leader it has a responsibility to set the standards for environmental protection across its operations into our supply chains. Sea Change® is the Company's sustainability strategy with measurable commitments to deliver real, lasting changes in the way it operates. Sea Change® aims to drive a positive transformation throughout the global seafood industry. It covers every aspect of the seafood business on how to look after and maintain the oceans and how it manages its waste. The core of the strategy is to promote sustainability and the ability to fully track its seafood from catch to consumption with full traceability in place. The Company will be able to identify, investigate and improve its performance on key issue such as labor and responsible sourcing.



In addition, Thal Union Group's policy must comply with the legal requirements and other commitments relating to the Group. The Company has prioritized developing the foundation of an environmental, occupational health and safety management system and systematically integrating environmental, occupational health and safety and energy conversation considerations into our business processes. The Group's results in 2020 are to reduce its greenhouse gas emissions by 28 percent per ton of production, reduce water use by 26 percent per ton of production and reduce waste to landfill by 69 percent per ton of production, giving the necessary education and training. The action plan can be summarized as follows:

1. The Environmental Policy Occupational Health and Safety with focus on capacity development, as well as the involvement of employees in preventing the negative effects on the environment. (<http://www.thalunion.com/en/about/environment-health-and-safety>)
2. The establishment of the excellence in Environmental Health and Safety Center, which has established a device comparable to international standards for the collection of knowledge about the environment, health and safety and a training center for employees.
3. Training before starting work and during operation. This training is organized to suit the nature of the staff and to ensure that employees have a better understanding of how to protect themselves from harm and reduce the environmental impact of the practice on their own.
4. Assessment of compliance with the law continued to ensure that employees have been trained or qualified by law. The Company has additional training requirements by local law to begin the process of evaluating employees' potential on environmental, health and safety to ensure their appropriateness and effectiveness and how they compare to international standards.

Respect of Copyrights and Intellectual Property Rights

The Company respects copyrights and intellectual property rights of others by forbidding employees from using illegal programs or software and ensuring they strictly comply with the Copyright Act B.E.1994.

2. Management is responsible for implementing this Anti-Corruption Policy, including communication and awareness-raising among internal and external stakeholders. Proper management systems and measures must be put in place and periodically reviewed to ensure effective governance and implementation in alignment with the intent and new developments in the current business conduct as well as changing laws, rules and regulations.
3. Management and employees at all levels are responsible for mitigating and preventing corruption-associated risks in their assigned duties, and are responsible for reporting of corrupt activities.

General Provisions

1. Board members, management and employees must agree to perform their duties and services in compliance with the Company Anti-Corruption policy, and must not allow any person, whether directly or indirectly, to exert influence on their behalf so as to engage in any corrupt practice, with the purpose of obtaining any personal or undue advantage.
2. In addition to carrying on their duties as assigned, they shall agree not to engage in any corrupt practices as mentioned in section 1, which also includes giving or accepting gifts or hospitality, giving or accepting cash or its equivalents, bribing government officials or third parties or accepting or soliciting bribery, embezzling Company assets or working hours, laundering money, obstructing or impeding due administration of justice or judicial proceedings, making any political contributions, whether in cash or in kind, including offering goods and services or contributing for advertising purposes, etc., donating to charitable causes, and sponsoring for a personal or other undue advantage.

Gifts, Hospitality, and Expenditures

- Board members, management and employees must not demand, accept, or offer any gift or hospitality, either in the form of money, gifts, goods and services to, from or for business partners, agents, creditors, third parties or the Company's competitors if doing so can be perceived as bribery or as personal or undue advantage of business partners, agents, creditors, and third parties.

- Any offers or receipt of gifts and hospitality as per customs and traditions shall conform to the Company's rules and regulations. In other cases where the Company's rules and regulations cannot be applied, they must be proportionate, transparent and legitimate with no hidden agenda, as stated above.

5.3 Governance and information technology management

The Board of Directors implemented the board of information technology. They will plan the related strategies in regards to information technology of the Company in order to have convenience, speed, effectiveness, added reliability and added business competitiveness as well as playing a supporting role in the business to get the maximum benefits and risk management regarding information technology risk. Thus, the Board will specify the assessment and risk management for information technologies and report the findings to the risk management subcommittee regularly.

The committee for information technology addresses the governance of information technologies for reliability and effectiveness by prioritizing as below:

1. Organization structure and management
 - 1.1 Segregation of authority to set the planned policies and operation procedures.
 - Implement segregation of authority, provide the planning policies, operation procedures and especially the policies when it comes to planning and operation procedures related to the security of information technology systems and other important routine technical operations.
 - 1.2 Governance and checking operations
 - Implement the operations, report and check operations to make sure that it is completed and accurate. Follow the policies and operations procedures within the frame of authority and responsibility.



2. The information of security and information technology system

2.1 Access control of computer center and physical security

2.2 Grant access control of the network precisely by limiting and assigning only those involved and checking the access of the computer network regularly.

Control access by using information technology systems and intrusion prevention that pass through logical security network, implement intrusion prevention systems for external outside networks, for example: Firewall system, user authentication before entering the system, authorization assignment within the system and audits logs by gagging security according to security policies of implemented information technologies.

3. Back up the network in preparation for an emergency

3.1 Back up all data on the network with scheduled backups of the network and test the accuracy and reliability of the data on the network.

3.2 Prepare for emergency situations

Implement an emergency response plan that includes testing of the plan to insure, that it is viable.

4. Routine maintenance on all computers and servers

Set governance and routine operation controls in computers according to the board requirements for all procedures and operations. Have a clear and verifiable reporting system for routine inspections.

On the part of risk management, the risk management subcommittee will set governance of the policies and approach to risk management as well as assessment and process development for proper risk management for both the Company and its subsidiaries while reporting to the Company Board every three months in regard to information technology risk for administration to address the risk and make plans of risk management, information technology strategies, information management for appropriate business response, information technology services and security.

In addition, the Board appreciates the importance of governance and information technology control so they can provide internal checking and information technology network checking which is directly reported to an audit committee making the plans in regards to information technology management, including security of information for the Company annually

Principle 6: Strengthen Effective Risk Management and Internal Control

Controlling System and Internal Audit

The Company has established an audit unit that functions as an independent unit. The current head of this unit is Mr. Pongkol Phipuch, Deputy General Manager of the Audit unit. He holds a Bachelor's Degree in Audit from the University of the Thai Chamber of Commerce, and is a Certified Public Accountant (CPA) No. 8549. He also attended training of the Anti-Corruption: The Practical Guide 2013 & 2016 conducted by the Thai Institute of Directors (IOD) and IAT Annual Conference 2019 and indispensable IA insightful, Agile & Innovation by The Institute of Internal Auditors of Thailand.

The Internal Audit Unit regularly oversees the internal controls system, to inspect significant items including operations, compliance controls, risk management and extraordinary items, to ensure the effectiveness of the controlling system for greater credibility of the financial statements. They report directly to the Audit Committee and administratively to the President & CEO. The internal audit unit has adopted a risk-based approach in the annual audit plan which focuses on key business risks of the Company and subsidiaries that might have an impact on business goals and the accuracy of financial reports. The Audit Committee reviews the annual audit plan and the audit results and progress reports continuously

The past internal audit reports indicated that the Company's operations have been in line with the planned systems, possessed efficient internal controls, risk assessment, risk management and prevention measures, compliance control and shown no significant non-compliance in its operations.

Risk Management

The Board of Directors has overall responsibility to ensure risk management is appropriately and effectively implemented. The Risk Management Committee oversees risk management implementation and reports the Company's significant risks, mitigations and improvements to the Board. They assign the management team to regularly identify internal and external risk factors as well as to conduct an assessment of their impacts on the Company's business. The risk management team is diversely composed of management members and top executives who are directly responsible for the work areas where risk factors are identified. The risk management team analyzes target risk factors in order to determine root causes and create countermeasures. The countermeasures are turned into practical guidance to either prevent or minimize potential impacts of those risks. In addition, the risk management team also follows up and ensures that taken corrective and preventive actions are in line with its directed countermeasures, and reports the performance of countermeasure implementation to the Audit Committee for subsequent address in the Board meeting.

Securities Holding Report of Directors and Executives

The Company imposes preventive measures to guard against the use of internal information for personal gains among the Board and management members by the directors and the management must inform about the Company's own trading to the Company secretary at least one day in advance before trading and have their mandatory duties to report any changes made to the securities ownership of their own,

those of their spouses and children below lawful age to the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 on an immediate basis and not later than three business days following the date of purchase, sale, transfer or receipt of such securities. The Board or management members or sections with access to, or knowledge of, internal information are not allowed to leak the information to outsiders or other unauthorized persons. In addition, no securities trading by those management is allowed within the period of one month prior to the disclosure of financial statements or any other material information to the public in order to prevent illegal use of internal information undisclosed to the public, which can affect the trading of the Company's share on The Stock Exchange of Thailand.

The Company secretary reports every change in the Company's securities held by directors and management to the Chairman of the Board and Chairman of the Audit Committee, and also provides the report of any changes made to the securities held by directors and management for year to the Board meeting.

Report on Interest of Directors and Executives

In compliance with Section 89/14 of the Securities and Exchange Act B.E. 2551 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and the Notification of the Capital Market Supervisory Board No. TorChor. 2/2552 Re: Report on Interest of Directors, Executives and Related Persons, Director and an Executive shall file with the Company a report on his interest or a related person's interest in relation to management of the Company including requiring the Company secretary to have a copy of the report on interest to the Chairman of the Board of Directors and the Chairman of Audit Committee within seven business days from the date of receiving the report. The Board of Directors must set rules and procedures for such reports.

Connected Transaction

Connected transaction policy between TU and its subsidiaries, the Audit Committee is entrusted to review the connected transactions that need to be approved by the Board of Directors. The Board of Directors shall ensure that the Company is operating in compliance with the rules and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including the acquisition and disposition of assets, as well as the accounting standards concerning the disclosure of information concerning connected parties and business, as defined by the Federation of Accounting Professional of Thailand. The Audit Committee will provide comments about the necessity and justification of such transactions for the best interest of the Company. Costs are charged at market price like transactions with any other outside parties (Arm's Length Basis). In the case that the Audit Committee does not have the expertise in the connected transactions, the Company will provide an independent appraiser or external auditor of the Company to ensure that such price is reasonable to the Company before such transactions must be approved by the Board of Directors and shareholders. Directors and management personnel with potential conflicts of interest are not allowed to vote on the transactions. The connected transactions are disclosed under the Notes to Financial Statements for year ended 31 December, the Annual Report and form 56-1.

Policy for Future Connected Transactions

In undertaking future connected transactions, the Company will continue its product and service transactions with connected companies, since these represent the normal business practices in the same industry. The pricing of products and services follow market practices and/or the details in any commercial agreements. However, the Company will take into consideration its best interests and ensure that such price is reasonable to maximize the Company's benefits. The Audit Committee and Audit Unit are to supervise and review the business transactions

that are considered connected transactions according to the requirements, announcements, rules and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission. Moreover, when there are transactions involving directors and management, they are not allowed to vote or attend the meeting.

Criminal Record of Directors and Executives

During the past years and 2020, the Company has no case of violation against rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act B.E.2535 or any other laws such as the submission of financial statements within a given timeframe. There are no cases of violation of labor law, employment law, trade competition act or punishment from the government or other regulators as a result of a failure to disclose significant information within the given timeframe. In addition, the directors and executives of the Company do not violate against rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act B.E.2535 or any other civil or criminal laws and do not have any conflicts of interest with the Company by insider trading or commit an act of corruption or misconduct.

Business Code of Conduct

The Board of Directors has created a code of ethics or statement of business conduct for all directors, the management team and employees. The code serves as guidelines for their honest and equitable work operations and is made known to all directors, the management team and employees to ensure their awareness, understanding and compliance. The Company believes that such practice will improve the standards of good corporate governance and promote investor confidence in the Company's management as well as preserve justice and credibility in the capital market. The code of conduct covers the following areas:

- 1) Responsibility to shareholders
- 2) Responsibility to customers
- 3) Responsibility to employees
- 4) Responsibility to business partner and creditors
- 5) Responsibility to trade competition
- 6) Responsibility to society and the environment
- 7) Responsibility to the Company
- 8) Compliance with laws, rules and regulations
- 9) Anti-corruption
- 10) Safeguarding the Company's assets
- 11) Intellectual property
- 12) Conflicts of interest
- 13) Related transactions within the group
- 14) Use of inside information and trading of the Company's security
- 15) Distribution of information to the public

Whistle-Blowing and Complaints

The Company provided the channel for whistle-blowing or complaint-making that stakeholders are or may be affected by the damage caused by the Company's operation, or the employees are involved in unlawful, dishonest acts or corruption by directly submitting the case or via post to:

Chairman of the Audit Committee,
or Internal Audit Manager, Audit Unit
Thal Union Group Public Company Limited
23rd floor, S.M. Tower, Phayathai, Phayathai, Bangkok 10400
Telephone 02 298-0024 ext. 4340
Facsimile 02 298-0024 ext. 4369

The whistle-blowers or filers of complaints that are employees, customers, individuals hired for work by the Company or other groups of stakeholders who are whistle-blowers, will have their rights protected and defended according to the law or the guidelines set by the Company.

Principle 7: Ensure Disclosure and Financial Integrity

The Board of Directors is aware of its role to maintain financial credibility to shareholders and stakeholders such as investors, analysts, financial institutions including the disclosure of such equitable information to the public. The details are as follows:

Information Disclosure and Transparency

The Board devises policy on correct, complete and punctual disclosure of material financial and non-financial information through dissemination channels of The Stock Exchange of Thailand and the investor relations section on the corporate website in both English and Thai languages so as to provide equitable and credible access for shareholders, institutional investors and any persons interested in obtaining such information.

The Board stands behind the Company and its subsidiaries consolidated financial statements and financial information presented in the Company's annual report. The said financial statements are prepared in accordance with generally accepted accounting standards by applying appropriate accounting policy on a regular and carefully considered basis. Material information is sufficiently disclosed in the notes to the financial statements.

The Board has provided a report indicating its responsibilities to prepare financial statements. Such a report is exhibited alongside the auditor's report in the Company's Annual Report to ensure a true and fair presentation of the financial statements regularly following the generally accepted accounting standards and accounting policy.

The Board's opinion is that there is effective administration of internal controls in the Company and that the reasonable fairness is assured for the financial statements for the period ending 31 December 2020, for which the Company's auditors have conducted the audits on generally accepted auditing standards.



Information Disclosure to Public

The Board perceives the importance of correct, complete and transparent information disclosure to all shareholders, investors and all parties concerned on an equitable treatment basis. Information on operations and financial status is communicated clearly and timely under relevant laws to provide target groups with a correct understanding of the Company, thereby creating acceptance and investment sentiment among investors. The communication also allows the Company to gain insight into the public's view on the Company's operations, which will be a part of considerations for future goal and strategy setting. The Investor Relations Unit is officially set up. The Company clearly assigns the management and other personnel to assist in communicating with the public as follows:

1. Thiraphong Chansiri
President & CEO
2. Joerg Aytle
Group CFO
3. Bunlung Waiyanont
Assistant General Manager, Investor Relations

The communications of operational performance, financial and non-financial information to stock analysts, investors and shareholders during 2020 were as follows:

1. The Company's executives has provided the overview of the operations and answered questions of the analysts and investors in the following events:
 - Approximately 9 Company visits by investors and stock analysts
 - 38 conference calls
 - Four analysts' meetings
 - Participated in four Opportunity Day's by the SET
 - No plant visit by minor shareholders and students due to the COVID-19 virus situation
 - No overseas investor conferences due to the COVID-19 virus situation
 - 6 local roadshows

In addition, the Board promoted the effective use by the Company of information technology in disseminating information to provide the public with written information in both Thai and English dissemination through its corporate website, <http://www.thalunion.com> and printed media as follows:

- Investor note, a press release giving information on operational results issued to investors and stock analysts on a quarterly basis
- Presentation issued to investors and stock analysts on a quarterly basis
- IR-Newsletters, a quarterly corporate newsletter delivered to shareholders and investors to regularly report new information and updates on the Company's operations
- IR calendar, Raw material price, and the details of debt payments on the Company website
- Annual report for shareholders, investors and other interested general public
- Annual sustainability report
- 2. 25 media briefings and press conferences are organized.
- 3. Information provided to The Stock Exchange of Thailand and Securities and Exchange Commission i.e. Annual report, Form 56-1, the Company's financial statements, quarterly and annual financial analysis reports, Letters informing the resolution of the Board of Directors, Annual General Meeting of Shareholders and others, Report or notification of any corporate changes in need of public disclosure pursuant to the Notifications of the Securities and Exchange Commission and The Stock Exchange of Thailand.

Due to continued strong adherence to transparent information disclosure, the Company achieved awards as follows:

EXECUTIVES:

- The 10th Asian Excellence Awards by Corporate Governance Asia:
- Asia's Best CEO, Thiraphong Chansiri, President and CEO
 - Asia's Best CFO, Joerg Aytle, Group CFO

Contacting the Board

The stakeholders may express their opinions, recommendations, complaints, or whistle blowing which may bring damages to the Company, the Company's unlawful actions or unethical actions, in writing and send them to the Audit Committee or the Board of Directors at the following address:

Thal Union Group Public Company Limited
Company Secretary, Office of the President & CEO
979/12 M Floor, S.M. Tower, Phaholyothin Road,
Phayathai, Phayathai, Bangkok

Or to our email:
The Audit Committee at complaint@thalunion.com
The Board of Directors through the Company Secretary at
paralee.sukhatung@thalunion.com

Principle 8: Ensure Engagement and Communication with Shareholders

The Board follows good corporate governance principles and sets clear business policy by perceiving equitable treatment of shareholders and stakeholders. This can be evident from the fact that the Board and the management cooperate to efficiently deliver work performance while prudently and carefully carrying out their administrative duties for the best interests of the Company and shareholders. Operations are transparent and can be verified. Information disclosures are made in a complete, accurate, punctual, and equitable manner to all parties concerned. The Company has appropriate and adequate control systems and risk management plans to facilitate well-informed decision making. The Company adheres to business ethics as a main pillar to prevent damages to all stakeholders. The Board oversees the Company's disclosures of all material information to ensure its accuracy, fairness and timeliness in order to secure investor confidence.

The IntraFish Seatop Power 100:

- No. 1, Thiraphong Chansiri, President and CEO
- No. 46, Darian McBan, Group Director, Sustainability Most Creative People in Business for 2020 by Fast Company magazine
- Darian McBan, Group Director, Sustainability

CORPORATE:

- Treasury Team of the Year Award in the Thailand category at the Treasury, Trade, SSC and Risk Management Awards 2020 by The Asset Triple A
- The Company was recognized for its global treasury center in Thailand and focus on increasing automation.
 - 2020 APAC Employee Experience Best Practice Award at the 2020 Talent Management Best Practice Awards
 - The Company was presented with the prestigious 2020 APAC Employee Experience Best Practice Award for the incredible result in transforming its workplace by implementing transformational talent management solutions and result-driven changes.
 - Most Active Employer Branding Award at the LinkedIn Awards 2020. The award recognized The Company for producing engaging visual content and having a significant increase in fan growth on LinkedIn.

INVESTOR RELATIONS:

- Outstanding Investor Relations Award at the SET Awards 2020 by The Stock Exchange of Thailand (SET)
- The Company was recognized in the category of listed companies with market capitalization of between THB 30 billion - THB 100 billion for its outstanding performance in engaging with investor relations activities.
- The 10th Asian Excellence Awards by Corporate Governance Asia:
- Best Investor Relations Company
 - Best Investor Relations Professional: Mr. Bunlung Waiyanont, Assistant General Manager – Investor Relations

The Company's information disclosures to shareholders are made on the basis of equity regardless of share volume owned, status as individual or juristic person - local or overseas. In each meeting of the shareholders, the Company places emphasis on and respects the rights of the shareholders by strictly carrying out the meetings pursuant to the Public Limited Companies Act. Also, the Company recognizes that the shareholders have the rights to decide, to obtain adequate, complete and timely information and to be encouraged to use their rights and not to have their rights violated, as follows:

Shareholders' Meeting

- The Annual General Meeting of Shareholders (AGM) has been set annually within four months counting from the annual closing date of its accounting books, i.e., within 30 April of each year. For urgent matters regarding the shareholders' interest or those requiring shareholders' approval, the Board shall call for the Extraordinary General Meeting of Shareholders (EGM). For the year 2020, the Company had arranged the Annual General Meeting of Shareholders (AGM) on 16 September 2020 due to the COVID-19 virus situation and with preparations as follows:

The Preparation for the Meeting and the Delivery of the Invitation to the Meeting

- The Board allowed shareholders to propose a name list of potential director candidates and a meeting agenda including the questions for the 2020 Annual General Meeting of Shareholders. The Company Secretary was assigned to publicize such information by using the electronic media through the communication systems of The Stock Exchange of Thailand, forwarded to the corporate website 121 days prior to the date of the delivery of the invitation to the Meeting in order to allocate appropriate time for the shareholders' proposals.

- The Company publicized the invitation to the 2020 Annual General Meeting of Shareholders in both English and Thai languages along with the documents in which details, objectives and reasons had been sufficiently and accurately provided for shareholders to exercise their rights, including the comments of the Directors in each agenda and the proxy forms, comprising of Form A, Form B, Form C, as stipulated by the Ministry of Commerce, voting procedures including voting count and verification of voting results criteria, details concerning independent directors proposed by the Company to act as proxies for shareholders and invitation to propose the questions in advance on www.thaiunion.com since 3 March 2020 – 6 months prior to the Annual General Meeting of Shareholders.

- The Company authorized Thailand Securities Depository Co., Ltd., in its capacity as registrar, to deliver the invitation to the Meeting to shareholders along with the documents in which details, objectives and reasons had been sufficiently and accurately provided, including the comments of the Directors in each agenda. Because of the COVID-19 outbreak, the Company is very concerned about the risk of infection at the shareholders' meeting including utmost concern for the safety of all shareholders and related parties. The Company encouraged the shareholders to appoint independent directors to attend the Meeting instead of participating in persons as informed in Company's website since 14 August 2020 - 33 days prior to the Annual General Meeting of Shareholders, in which shareholders could watch the live meeting via Web-Live Broadcast.

- The Company publicized the invitation to the Meeting in Thai newspaper (in Thai) and Bangkok Post (in English) for three consecutive days, seven days prior to the date of the meeting to reassure shareholders' attendance on the scheduled meeting date and time.

On-site Meeting Procedures

- The Company facilitated all shareholders, including institutional investors, in a fair manner by arranging the officers to welcome and provide sufficient information during the checking of documents before the registration. The Company also arranged the AGM voting systems, serviced by Quid Lab Company Limited, to facilitate the Annual General Meeting of Shareholders and to cover the preparation of information regarding shareholders who had the right to attend. The registration of shareholders who attended by printing ballots and the process of counting the votes in the meeting. The registration was open from 12:00 - 14:00 hrs. of 16 September 2020 at the well-known and easy-to-commute to a Ballroom Room, 4th Floor, Intercontinental Bangkok, Ploenchit Road, Bangkok. In 2020 there were shareholders who attended and proxies as follows:

Shareholders	Total (persons)	Total (shares)	Percent of the total and paid-up shares
Person Attended	118	792,096,195	17.02
Proxies Attended	1,739	2,019,147,743	43.37
Total Attended	1,857	2,811,243,938	60.39*

* The number of ordinary shares used as the basis for opening the meeting that can be voted on the meeting was 4,655,132,696 shares due to the number of treasury stock under the share repurchase program since April 1, 2020, totaling 116,682,800 shares, which are not counted as a quorum and has no right to vote.

- Chairman of the Board was the chairman of the 2020 Annual General Meeting of Shareholders with responsibility for compliance with applicable legal requirements and the Company's articles of association, in which there were 9 board members in attendance out of the whole board of 12 members, and they were the Chief Executive Officer, the President of the Global Shrimp Business, the Executive Directors and the Audit Committee members who were independent directors. The directors who could not attend were representatives of overseas shareholders who could not make it to the meeting due to the inconvenience of long journeys. However, without their presence, the directors had analyzed the information and expressed their opinions on the issues through the agendas delivered to them prior to the meeting. Moreover, the Group CFO, the General Manager – Group Finance, the General Manager – Group Accounting and Control, the Manager - Investor Relations, and independent auditors from Pricewaterhouse Coopers ABAS Limited, attended the meetings to completely answer questions from the agendas while the Chairman provided appropriate and sufficient time and encouraged the shareholders to express their opinions and queries with equity.
- The Chairman of the meeting assigned the MC to inform the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, clearly explain the vote-casting and vote-counting procedures for each agenda to the eligible shareholders as well as the procedure of one vote per one share according to the Company's Articles of Association No.35. The Company's auditors from Pricewaterhouse Coopers ABAS Limited and one volunteer from the shareholders were the inspectors of the vote counting. The meeting was conducted in the manner that allowed and encouraged all shareholders to raise questions, express opinions and give suggestions about the issues throughout the entire meeting session. There were two shareholders who made queries and presented opinions for the 2020 Annual General Meeting of Shareholders.



- In order to preserve voting transparency, the Company made available ballots to facilitate the exercise of voting rights by shareholders in case of their disapproval or abstention of any agenda needed to be considered. Such votes were deducted from the total votes of the meeting. The remaining votes were counted as approvals of such agenda. In order to conduct the meeting in a timely manner and to separate the election of the directors, shareholders were allowed to freely cast their votes for each director candidate on an individual basis, not on the whole board of candidates. Vote counts were clearly announced onsite to make known to all attending shareholders immediately following the end of the voting procedure in each agenda. The meeting session was also videotaped for further dissemination on the Company's website. Interested shareholders may request a copy of the videotape from Office of the President & CEO.

Post-meeting Procedure and Meeting Minutes

- The Company publicized the resolutions of all agenda considered in the 2020 Annual General Meeting of Shareholders (AGM) on www.thaiunion.com immediately on the date of the meeting, except for questions raised by shareholders and answers given during the meeting session. Complete resolutions of the meeting were subsequently submitted through The Stock Exchange of Thailand communication systems and forwarded to corporate website on 28 September 2020, or 12 days following the date of AGM. Shareholders and investors may obtain further information on the meetings or submit their questions in advance by contacting the Company Secretary at 0-2398-0024 ext. 4390, 4392. The hosting of the shareholders' meeting with great emphasis on equitable voting rights has earned the Company a very good performance in the 2020 annual evaluation of Annual General Meeting of Shareholders conducted by the Thai Investors Association.

However, the Board perceives the importance of right of shareholders, is well aware of its responsibility to ensure equitable treatment of shareholders and therefore have put the following initiatives into action.

- The Board assigned the Company Secretary to prepare data and communicate to shareholders with regards to the Company's invitation for shareholders to propose a name list of potential director candidates and a meeting agenda for consideration in the 2020 Annual General Meeting of Shareholders. Such information was publicized electronically through The Stock Exchange of Thailand communication systems and forwarded to the investor relations section on the corporate website 121 days prior to the date of meeting invitation delivery in order to allocate appropriate time for their proposals. Although the Company has provided shareholders with such these proposal opportunities since 2007, no proposals, however, were submitted for either director candidates or the meeting agenda during the past year. In addition, no additional agenda items that were not notified in advance.
- The Board facilitated shareholders who cannot attend the meeting by assigning any independent directors and proposed the name list of at least two independent directors who were to act as proxies to vote in each meeting agenda on behalf of shareholders. In the 2020 Annual General Meeting of Shareholders, there were 1,083 shareholders who authorized Mr. Kirati Assakul, Chairman of Risk Management Committee and there were 583 shareholders who authorized Mr. Sakdi Kiewamkha, Chairman of Audit Committee, to act as proxy and vote on his/her behalf. All of them have been serving as independent directors.
- The Board provided voting cards for the shareholders by the AGM voting system for each agenda separately so that they could vote as appropriate. The voting cards were then collected and calculated together with the votes cast before in the proxy form. The votes were then announced in the meeting room and filed the cards for inspection.

- The Board assigned the Company Secretary to document and file the meeting resolutions in a correct and complete manner and to publicize the resolutions of all agenda considered in the 2020 Annual General Meeting of Shareholders in the investor relations section on www.thaiunion.com immediately on the date of the meeting, except for questions raised by shareholders and answers given during the meeting session. Complete resolutions of the meeting were subsequently submitted through The Stock Exchange of Thailand communication systems and forwarded to the corporate website within 14 days following the date of meeting.
- The Company imposes preventive measures to guard against the use of internal information for personal gains among the Board and management members by communicating their mandatory duties to report any changes made to the securities ownership of their own, those of their spouses and children below lawful age to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 on immediate basis and not later than three business days following the date of purchase, sell, transfer or receipt of such securities. The Board or management members or sections with access to, or knowledge of, internal information are not allowed to leak the information to outsiders or other unauthorized persons. In addition, no securities trading by those management is allowed within the period of one month prior to the disclosure of financial statements or any other material information to the public in order to prevent illegal use of internal information undisclosed to the public, which can affect the trading of the Company's share on The Stock Exchange of Thailand. However, this prohibition is exempted in the case of continued fluctuation of securities trading prices driven naturally by overall stock market mechanism, which encourages those management to trade their securities only in response to the stock market situations and in good faith. Furthermore, the Board and management members are made aware of legal punishment and penalty pursuant to the Securities and Exchange Act B.E. 2535 and relevant regulations.
- The Board assigns the Company Secretary to oversee and follow up items with potential conflict of interests and connected transactions. The Company Secretary is responsible for preparing a quarterly summary report of those items and transactions and regularly publicizes such reports at year-end in the Company's annual report and Form 56-1. Furthermore, the Board and management members, in any Board meeting, are required to comply with good corporate governance policy by not participating in casting votes or giving opinions on any issues sensitive to conflict of interests or vested interests.
- The Board assigns the Company Secretary to maintain the filing of the report of vested interests as disclosed to the Company by the Board and management members pursuant to the Notification No. Tor.Jor.2/2552 of Capital Market Committee Governing Required Vested Interests Disclosure by Listed Company Directors, Management Members and Connected Persons. With regards to this issue, the Section 89/14 of the Securities and Exchange Act B.E. 2535, as subsequently amended under the authority of the Securities and Exchange Act (No. 4) B.E. 2551, stipulates that the Board and management members must report to the Company their vested interests in the Company's and its subsidiaries' operations and management, or those of their connected persons. This requirement is aimed to furnish necessary information to the Company and to enable the Company to comply with its own connected transaction handling procedures, which are established to prevent such items with potential conflict of interests from leading to possible siphoning of corporate funds and interests from the Company and its subsidiaries.

Report of the Audit Committee

To the Board of Directors and Shareholders,

The Audit Committee of Thai Union Group Public Company Limited (the Committee) comprises three independent directors who are experts in finance, accounting, organization management, law, information technology, internal control and risk management. Each member of the Committee meets the criteria as stipulated by The Stock Exchange Commission and The Stock Exchange of Thailand. None of them holds any managerial positions, nor are they employed by, or do they perform, consulting roles for the Company.

In 2020, the Committee convened 12 meetings as follows:

1. **Sakdi Kiewkarnkha**, Independent Director and Chairman of the Audit Committee, attended 12 meetings.
2. **Thamnoon Ananthothai**, Independent Director and Audit Committee Member, attended 10 meetings.
3. **Nart Luchareon**, Independent Director and Audit Committee Member, attended 12 meetings.

The Committee, appointed by the Company Board of Directors, independently performed its duties in compliance with the Audit Committee Charter which has been reviewed in conformance with current business situation and approved by the Board of Directors on an annual basis. The Committee hereby summarizes the tasks performed in 2020 as follows:

Financial Statements Review

- The Committee has reviewed the quarterly and the annual financial statements of Thai Union Group Public Company Limited, including the notes and the consolidated financial statements of Thai Union Group Public Company Limited and its subsidiaries. The statements have been prepared according to the Thai Financial Reporting Standards (IFRS) which is in

Risk Management Review

- The Company has Group Operations Assurance and Risk Management to be the coordinator and responsible for the corporate risk management duties. The Company has in place a risk management sub-committee with an independent director as its chairman. The sub-committee was responsible for reviewing the structure, policy, framework and plans for risk management. The sub-committee was also accountable for revising the risks and risk monitoring on a quarterly basis, taking into consideration internal and external risk factors that could impact the Company and managing them to an acceptable level. Also, the alert mechanism has been reviewed according to standard set.

Internal Control, Internal Audit Review and IT Audit

- The Committee has examined the internal control system evaluation by regularly pursuing the work plan and internal audit reports, both internal audit and IT audit. No significant fault was found. The internal auditor reported that the Company and its subsidiaries' internal controls are effective and the external auditor also reported that the internal controls for accounting and finance are sufficient and appropriate. The Committee has annually reviewed the Audit Committee Charter and the Internal Audit Charter. The internal auditor asserted its precedence in developing personnel and auditing tools complying with internal auditing standards.

Review of Connected Transactions: Acquisition and Disposition Transactions and Transactions Which Might Result in Conflict of Interests

- The Audit Committee reviewed the connected transactions and transactions which might result in conflict of interest, as well as information regarding the relevant directors. These transactions and information are reviewed and disclosed to The Stock Exchange of Thailand in a timely manner.

Company and Its Subsidiaries Visit

- The Committee had a meeting with management through electronic and visited four subsidiaries in Thailand

In order to review their operations, internal control system, risk management system, environmental management system, problems of financial statements preparation, external and internal auditors. The Committee also observed production facilities, inventory management systems and overall situations at each site they visited.

The Committee Was Able to Conduct its Duties According to the Audit Committee Charter and Request for Access to Data Without Any Limitations

- The Committee has reviewed the operational performance and concluded that the Company performance is good. The Committee was also involved in reviewing, appointing, demanding, transferring the General Manager – Audit Unit, who is responsible for internal control operations of the Company and its subsidiaries.

Appointment of External Auditor for the Year 2021

- The Committee is satisfied with the external auditor performance in the past year. Furthermore, after the Committee already reviewed the qualifications and independence of the auditors, they found that the auditors have fully complied with regulations including the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) regulations. The Committee proposed to the Board of Directors for consideration and approval, and was approved at the Annual General Meeting, to appoint Mr. Pongthavee Ratanakoses, Certified Public Accountant Registration No. 7795, and/or Mr. Chanchai Chairasit, Certified Public Accountant Registration No. 3760, and/or Ms. Anomrat Pearnpoonvatanasuk, Certified Public Accountant Registration No. 4599, from Pricewaterhouse Coopers ABAS Limited as the external auditor(s) of the Company and subsidiaries for 2021. In the absence of the above-named auditors, Pricewaterhouse Coopers ABAS Limited is authorized to identify one other Certified Public Accountant within Pricewaterhouse Coopers ABAS Limited to carry out the work.

SAKDI KIEWKARNKHA
Chairman of Audit Committee



Report of the Nomination and Remuneration Committee

Dear Shareholders,

Thai Union Group Public Company Limited has appointed the Nomination and Remuneration Committee, which comprises two independent directors as follows:

1. Thamnoon Ananthothai,

Chairman of the Nomination and Remuneration Committee

2. Sakdi Kiewkantha,

Member of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors and as defined in the charter of the Nomination and Remuneration Committee. The Committee has compiled details relating to the composition, duties and responsibilities required to discharge its duties as assigned by the Board of Directors in the recruitment, selection and presentation of individual directors to the Board, qualified by knowledge and ability, experience and expertise to conduct business, as well as to offer a compensation plan for the Board and Committees. In 2020, the Remuneration and Nomination Committee convened two times, and each time a quorum was met with the following resolutions:

1. Following good corporate governance, the Company granted the rights to allow a shareholders' proposal of descent persons they think fit to become director candidates, as well as a proposal of a meeting agenda for the 2020 Annual General Meeting of Shareholders. Following the Company's announcement of such grant of rights through The Stock Exchange of Thailand and on the corporate website between 3 October 2019 and 31 January 2020, there were eventually neither qualified director candidates nor a meeting agenda proposed by shareholders through the entire 121 days entry period.

2. Reviewed the qualifications of those who will be members on the Board of Directors as the term of the existing four ended. The four Directors were proposed to rejoin the membership of the Board of Directors. The reappointment decision was proposed to the Board of Directors to receive approval at the shareholders' meeting.
3. Proposed the compensation for the Company's directors and committees based on their responsibilities and the Committee compensation reference conducted by the Thai Institute of Directors (IOD). The Committee also revealed the compensation of the directors, committees and executives in the annual report following good corporate governance principles.
4. Reviewed the principles of good corporate governance for listed companies and to provide feedback on the Company's guidelines and practices of the directors as well as corporate governance criteria.
5. Evaluated and reviewed the performance of the Company's directors following the Company's good corporate governance policy.

The Nomination and Remuneration Committee has the duty to offer advice commenting on the importance of prudence, transparency and independence, according to the principles of corporate governance and as an act of good faith in the interests of the Company and shareholders.

THAMNOON ANANTHOTHAI
Chairman of the Nomination
and Remuneration Committee

Remuneration for the Company's Independent Auditor 2020 (Thailand Only)

Audit Fee

The Company and subsidiaries paid an audit fee to the auditing firm where independent auditors are attached to, and where individuals or entities are related to the independent auditors and the auditing firm, in total 17 companies at THB 21,257,414.

Non-Audit Fee

The Company and subsidiaries paid remuneration incurred by the following services:

- Audit fee paid to the auditing firm where independent auditors are attached to, and where individuals or entities are related to the independent auditors and auditing firm for the amount totaling: -None.
- Audit fee for special items, pursuant to Notification Por 4/2001 of the Board of Investment, paid to the auditing firm where independent auditors are attached to, and where individuals or entities are related to the independent auditors and auditing firm, in total 7 companies at THB 1,170,000.
- Audit fee for special purpose and tax advisor at THB 3,532,500.



Statement of the Board of Director's Responsibilities for the Financial Statements

The Board of Directors hereby expresses its responsibility for ensuring that Thai Union Group Public Company Limited's financial statements and Thai Union Group Public Company Limited and its subsidiaries' consolidated financial statements that are contained herein genuinely reflect their actual financial status and operating results. These are based on accounting principles which require accurate, complete, and adequate recording of accounting items in every aspect. The aforementioned financial statements are prepared in accordance with generally accepted accounting standards, using careful judgement and the best estimation. The adequate disclosure of all important information in notes to the financial statements is in accordance with the updated accounting standards for the Company's shareholders and investors. Independent auditors have unqualifiedly expressed their opinions on our financial statements in the independent auditor's report.

The Board of Directors has appointed the Audit Committee which comprises independent directors who are responsible for reviewing the accounting policy, financial reports, internal controls and internal audit, risk management system and disclosure of related party transactions, compliance with the regulations of the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET). All of the Audit Committee's opinions on these issues have been presented in the Report of Audit Committee included in this Annual Report.

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries have been examined by an independent auditor, Mr. Pongthavee Ratanakoses CPA # 7795 from PwC (PricewaterhouseCoopers ABAS Ltd). He has provided assurance that he retained an independence to work without being impeded, and received full support from Company management and personnel to conduct the audits and express an opinion in accordance with generally accepted auditing standards. The independent auditor's opinion is presented in the independent auditor's report included in this Annual Report.

The Board of Directors believes that the Company's overall internal control system has functioned at a satisfactory level and has ensured the credibility and reliability of the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ending 31 December 2020. The financial statements present the Company's financial position, operating results, changes in shareholders' equity and cash flows fairly, in all material respects and in a reliable manner so that such statements are in compliance with the generally accepted accounting principles and all governing laws and regulations.

KRAISORN CHANSIRI
Chairman

THIRAPHONG CHANSIRI
President&CEO

Independent Auditor's Report

To the shareholders and the Board of Directors of
Thai Union Group Public Company Limited

My Opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Thai Union Group Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

What I Have Audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of income for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Key audit matter

Assessment of the impairment of goodwill and intangible assets with an indefinite useful life

As at 31 December 2020, the Group had goodwill of THB 13,414 million and intangible assets with an indefinite useful life of THB 13,480 million in the consolidated statement of financial position, representing approximately 9.28% and 9.32% of total assets, as detailed in Note 21 and Note 20, respectively.

Under Thai Financial Reporting Standards, the Group is required to test the amount of goodwill and these intangible assets with an indefinite useful life for impairment annually. This testing includes identifying the Group's cash generating units (CGUs) that relate to goodwill and these intangible assets with an indefinite useful life to assess the recoverable amount. Following impairment testing by the management, the Group didn't recognize any impairment loss on these assets.

I focused on this area because of the significant balance of goodwill and intangible assets with an indefinite useful life to the consolidated financial statements and the complexity of the assessment process of the recoverable amount. In addition, it is because the significant judgements and assumptions involved are affected by unexpected future market or economic conditions. The Group assessed its recoverable amount based on the value-in-use of goodwill and these intangible assets with an indefinite useful life by using the discounted cash flow model. This requires management to make assumptions or judgements such as revenue growth rates and discount rates applied to cash flow projections.

How my audit addressed the key audit

My audit procedures included:

- assessing if the management's identification of the Group's CGUs relating to goodwill and intangible assets with an indefinite useful life were appropriate
- challenging management on the reliability of key estimations and evaluating if the assumptions and methodologies used by the Group in assessing the value-in-use were appropriate. In particular, I focused on testing the assumptions related to the forecasted revenue growth, the applicable pre-tax discount rate using the weighted average cost of capital and other data used in management's impairment analysis. I did these by comparing them to external and historical data such as external market growth expectations
- assessing the cash flow projections, mainly for key CGUs. This included assessing the reasonableness of management's estimates by comparing them with actual results to see whether the variances would affect the current year estimation and evaluating future business plans by assessing the current and future markets if they're consistent with the current business plan, and
- analysing CGU value assumption sensitivity and evaluating whether a possible change in assumptions could cause the recoverable amount to be less than its carrying amount.

Based on my procedures, I considered that the key assumptions used in impairment testing were within a reasonable range based on the supporting evidence.

Key audit matter

Fair valuation of long-term investment measured at fair value through profit or loss and derivatives

As at 31 December 2020, the Group had a long-term investment measured at fair value through profit or loss (FVPL) of THB 12,369 million and derivative assets of THB 3,057 million in the consolidated statement of financial position, representing approximately 10.67% of total assets. There are also derivative liabilities of THB 599 million in the consolidated statement of financial position, representing approximately 1.12% of total liabilities. This is as detailed in Note 7.

The long-term investment measured at FVPL is a debt instrument and was measured using significant input from unobservable market data (a level 3 input). The management also adjusted the discount rate to reflect the risk and nature of the debt instrument.

The derivatives are mostly forward contracts, which were measured using observable market data (a level 2 input).

I focused on the long-term investment measured at FVPL and derivatives measured at fair value because of the significant balances in the consolidated financial statements and the complexity of their fair value assessment. Using unobservable market data (Level 3) to measure fair value, management's judgement is required to adjust the data to reflect the risk and nature of the debt instrument, which affects the Group's financial performance.

How my audit addressed the key audit

My audit procedures included:

- assessing the reasonableness of the methodologies used, the assumptions and the management's judgement made for the long-term investment measured at FVPL which applied unobservable market data (Level 3), i.e. yield to maturity by comparing with the marketable debt instruments with the comparable risk from reliable source; and
- assessing the reasonableness of the fair value of derivative which derived from observable market data (Level 2) by comparing them with the data calculated from the market price of these derivatives from reliable source, such as foreign exchange rates and interest rates of financial liabilities.

Based on my procedures, I considered the assumptions used in the fair valuation of the long-term investment measured at FVPL and derivative to be within a reasonable range based on the supporting evidence.



Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Reports are expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group's and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

PONGTHAVEE RATANA KOSES
Certified Public Accountant (Thailand) No. 7795
Bangkok
22 February 2021



Thal Union Group Public Company Limited Statement of Financial Position As at 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Current assets					
Cash and cash equivalents	10	6,286,409	4,689,470	5,246,046	3,659,253
Trade and other receivables, net	11, 42	13,319,536	14,868,926	4,002,364	4,398,787
Short-term loans to, net	42	8,944	132,766	13,038,591	9,241,776
Inventories, net	12	38,546,197	36,873,414	3,471,029	5,024,757
Derivative assets	45	1,408,438	1,950,245	999,827	1,829,713
Other current assets	13	888,550	975,981	38,042	64,788
Assets of disposal groups classified as held-for-sale from discontinued operations	14	6,463	54,981	-	-
Total current assets		60,464,537	59,546,783	26,795,699	24,239,074
Non-current assets					
Restricted deposits with financial institutions		5,017	4,367	-	-
Investments in subsidiaries, associates and joint ventures using cost method	15	-	-	32,197,933	31,965,240
Investments accounted for using the equity method, net	15	9,269,170	10,280,183	-	-
Financial assets measured at fair value	7, 16	12,477,542	11,505,038	9,000	9,000
Long-term loans to, net	42	601	241,138	33,624,499	36,269,769
Investment property, net	17	67,840	63,636	442,288	442,288
Property, plant and equipment, net	18	26,690,925	25,909,875	4,319,110	4,387,382
Right-of-use assets, net	19	1,339,024	1,526,477	416,799	486,068
Intangible assets, net	20	16,535,443	15,511,874	1,808,911	1,920,333
Goodwill, net	21	13,414,318	12,367,483	-	-
Derivative assets	45	1,646,860	2,360,231	1,656,735	2,366,105
Deferred tax assets	22	2,056,799	1,968,521	42,826	33,286
Other non-current assets	23	604,596	603,443	26,285	24,053
Total non-current assets		84,110,135	82,362,266	74,546,386	79,095,524
Total assets		144,574,672	141,909,049	101,342,085	103,334,598

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The accompanying notes are integral part of these consolidated and separate financial statements.



Thai Union Group Public Company Limited
Statement of Financial Position (continued)
As at 31 December 2020

	Consolidated financial statements			Separate financial statements		
	31 December	31 December	31 December	31 December	31 December	31 December
	2020	2019	2020	2019	2020	2019
Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	24	13,406,089	11,181,760	6,889,424	1,744,060	
Trade and other payables	25, 42	19,667,570	19,323,341	3,006,612	4,399,598	
Short-term loans from		59,147	95,528	80,960	8,475	
Current portion of long-term loans from financial institutions, net	26	1,624,960	116,038	1,508,378	-	
Current portion of debentures, net	27	6,049,050	3,499,883	6,049,050	3,499,883	
Current portion of lease liabilities, net	19	414,227	366,804	96,701	113,164	
Income tax payable		382,925	546,259	-	-	
Derivative liabilities	45	482,044	272,610	344,214	70,998	
Other current liabilities	28	2,486,786	357,401	177,005	28,100	
Liabilities of disposal groups classified as held-for-sale from discontinued operations	14	19,785	26,256	-	-	
Total current liabilities		44,012,573	35,807,878	18,152,344	9,864,286	
Non-current liabilities						
Long-term loans from financial institutions, net	26	12,782,849	14,319,118	12,484,222	13,981,467	
Debentures, net	27	23,291,802	29,342,993	23,291,802	29,342,993	
Lease liabilities, net	19	787,091	962,639	332,867	379,963	
Employee benefit obligations	29	2,700,091	2,545,033	748,414	694,776	
Deferred tax liabilities	22	4,411,641	4,000,318	-	-	
Derivative liabilities	45	516,518	799,627	418,785	654,199	
Other non-current liabilities		335,459	2,346,484	98,488	79,403	
Total non-current liabilities		44,825,451	54,306,212	37,374,578	45,132,501	
Total liabilities		88,838,024	90,114,090	55,526,922	54,996,789	

The accompanying notes are integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited
Statement of Financial Position (continued)
As at 31 December 2020

	Consolidated financial statements			Separate financial statements		
	31 December	31 December	31 December	31 December	31 December	31 December
	2020	2019	2020	2019	2020	2019
Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity (continued)						
Equity						
Share capital						
Authorised share capital						
5,971,815,496 ordinary shares at a par value of Baht 0.25 per share	30	1,492,954	1,432,954	1,492,954	1,492,954	1,492,954
Issued and fully paid-up share capital						
4,771,815,496 ordinary shares at a par value of Baht 0.25 per share	30	1,192,954	1,192,954	1,192,954	1,192,954	1,192,954
Premium on share capital	30	19,948,329	19,948,329	19,948,329	19,948,329	19,948,329
Retained earnings						
Appropriated - legal reserve	33	149,295	149,295	149,295	149,295	149,295
Reserve for treasury shares	30	1,519,051	-	1,519,051	-	-
Unappropriated						
33,235,050	30	31,358,197	18,522,873	20,228,998	20,228,998	20,228,998
Less Treasury shares						
(1,519,051)	30	(1,519,051)	-	(1,519,051)	-	-
Other components of equity						
(8,280,054)		(10,175,261)	52,227	(131,462)		
Total		46,235,574	42,473,514	39,865,678	41,388,114	
Perpetual debentures	31	5,949,685	5,949,685	5,949,685	5,949,685	5,949,685
Total equity attributable to owners of the parent		52,185,259	48,423,199	45,815,363	47,337,799	
Non-controlling interests		3,557,389	3,371,760	-	-	
Total equity		55,742,648	51,794,959	45,815,363	47,337,799	
Total liabilities and equity		144,574,672	141,909,049	101,342,285	102,334,598	

The accompanying notes are integral part of these consolidated and separate financial statements.



Thai Union Group Public Company Limited
Statement of Income
For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Sales	35,42,46	132,402,436	126,275,247	20,529,621	27,651,325
Cost of sales	39,42	(108,384,813)	(106,165,148)	(17,972,388)	(25,145,611)
Gross profit		23,417,623	20,110,099	2,557,232	2,505,714
Interest income	42	85,608	323,720	1,638,975	1,846,312
Dividend income	42	29	28	2,657,636	3,759,540
Other income	36,42	705,156	646,775	308,462	245,576
Profit before expenses		24,208,416	21,080,622	7,162,305	8,357,142
Selling expenses		(7,274,505)	(7,205,951)	(730,689)	(741,280)
Administrative expenses		(8,021,746)	(9,059,572)	(1,950,688)	(1,876,113)
Gain on sale of investment in associates		-	95,059	-	28,960
Other gains (losses), net	37	919,760	982,158	(302,181)	(44,357)
Operating profit		9,530,325	5,892,316	4,098,747	5,723,742
Finance costs	38	(1,724,438)	(2,055,567)	(1,457,342)	(1,660,469)
Profit before share of profit from investments accounted for using the equity method		7,806,487	3,836,749	2,641,405	4,063,283
Share of profit (loss) from investments accounted for using the equity method	15	(527,489)	591,288	-	-
Profit before income tax		7,278,998	4,428,037	2,641,405	4,063,283
Income tax	40	(723,764)	(167,837)	11,785	(23,163)
Profit for the year from continuing operations		6,555,234	4,270,100	2,653,190	4,040,120
Loss for the year from discontinued operations	14	(46,222)	(102,448)	-	-
Profit for the year		6,509,012	4,167,652	2,653,190	4,040,120
Profit (Loss) attributable to:					
Owners of the parent		6,292,312	3,518,325	2,653,190	4,040,120
From continuing operations		(46,222)	(102,448)	-	-
From discontinued operations		6,246,090	3,815,877	2,653,190	4,040,120
Non-controlling interests		262,922	351,775	-	-
Profit for the year		6,509,012	4,167,652	2,653,190	4,040,120
Earnings (Losses) per share for profit attributable to the owners of the parent (Baht)					
Basic earnings (losses) per share		1.27	0.82	0.50	0.85
From continuing operations		(0.01)	(0.02)	-	-
From discontinued operations		-	-	-	-
Total basic earnings per share	41	1.26	0.80	0.50	0.85

The accompanying notes are integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit for the year		6,509,012	4,167,652	2,653,190	4,040,120
Other comprehensive income (expenses):					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurements gain (loss) of employee benefit obligations, net of income tax	29, 40	(8,928)	235,882	-	196,415
- Change in fair value of equity instruments, net of income tax		(21)	4,535	-	-
- Increase (decrease) in other reserves		179,762	(12,973)	-	-
Total items that will not be reclassified subsequently to profit or loss		169,833	227,444	-	196,415
Items that will be reclassified subsequently to profit or loss					
- Exchange differences on translation		1,178,344	(2,163,482)	-	-
- Share of comprehensive expenses from investments accounted for using the equity method, net of income tax	15	(23,592)	(46,846)	-	-
- Hedging reserve reclassified to profit or loss, net of income tax	34	1,531,046	2,028,455	1,385,831	2,233,262
- Change in fair value of hedging derivatives, net of income tax	34	(885,923)	(2,057,184)	(1,182,142)	(2,124,618)
Total items that will be reclassified subsequently to profit or loss		1,699,875	(2,239,057)	183,689	108,644
Other comprehensive income (expenses) for the year, net of income tax		1,869,708	(2,011,613)	183,689	305,059
Total comprehensive income for the year		8,378,720	2,156,039	2,836,879	4,345,179
Total comprehensive income attributable to:					
Owners of the parent		8,121,369	1,807,737	2,836,879	4,345,179
Non-controlling interests		257,351	348,302	-	-
Total comprehensive income for the year		8,378,720	2,156,039	2,836,879	4,345,179

The accompanying notes are integral part of these consolidated and separate financial statements.



Thai Union Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2020

Consolidated financial statements																
Attributable to owners of the parent																
Notes	Retained earnings					Other components of equity					Total other components of equity		Total equity attributable to owners of the parent		Non-controlling interests	
	Issued and paid-up share capital	Premium on share capital	Appropriated - Legal reserve	Reserve for treasury shares	Unappropriated Treasury shares	Exchange differences on translation	Changes in fair value of equity instruments	Hedging reserves	Other reserves	Changes in ownership interest in subsidiaries	Perpetual debentures	Total equity	Total equity	Total equity	Total equity	Total equity
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance as at 1 January 2019	1,192,954	19,948,329	149,295	-	29,248,389	-	(2,087,107)	(4,581)	(232,225)	(2,135,678)	(3,381,104)	(7,820,687)	-	42,884,300	3,260,573	45,944,873
Net increase in non-controlling interests from change in investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	148,349	148,349
Acquisition of non-controlling interests through business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105,922	105,922
Options over non-controlling interests through business combination	-	-	-	-	-	-	-	-	(113,797)	-	(113,797)	-	(113,797)	-	-	(113,797)
Dividend payment	32	-	-	-	(1,908,726)	-	-	-	-	-	-	-	(1,908,726)	-	(491,426)	(2,400,152)
Total comprehensive income (expenses) for the year	-	-	-	-	4,048,534	-	(2,188,784)	4,835	(28,725)	(99,816)	-	(2,240,787)	-	1,807,737	348,302	2,156,039
Issuance of perpetual debentures	31	-	-	-	-	-	-	-	-	-	-	-	5,949,685	5,949,685	-	5,949,685
Closing balance as at 31 December 2019	1,192,954	19,948,329	149,295	-	31,358,197	-	(4,225,891)	(16)	(280,958)	(2,309,282)	(3,381,104)	(10,175,281)	5,949,685	48,423,196	3,371,780	51,794,976
Opening balance as at 1 January 2020	1,192,954	19,948,329	149,295	-	31,358,197	-	(4,225,891)	(16)	(280,958)	(2,309,282)	(3,381,104)	(10,175,281)	5,949,685	48,423,196	3,371,780	51,794,976
Net increase in non-controlling interests from change in investment in subsidiary	15	-	-	-	-	-	-	-	-	-	-	-	-	-	82,281	82,281
Acquisition of non-controlling interests through business combination	15	-	-	-	6	-	-	-	-	-	-	-	-	6	3,747	3,753
Treasury shares	30	-	-	-	(1,519,051)	-	-	-	-	-	-	-	(1,519,051)	-	-	(1,519,051)
Reserve for treasury shares	30	-	-	1,519,051	(1,519,051)	-	-	-	-	-	-	-	-	-	-	-
Dividend payment	32	-	-	-	(2,539,441)	-	-	-	-	-	-	-	(2,539,441)	-	(133,750)	(2,673,191)
Interest paid on perpetual debentures	31	-	-	-	(300,823)	-	-	-	-	-	-	-	(300,823)	-	-	(300,823)
Total comprehensive income (expenses) for the year	-	-	-	-	6,256,162	-	1,160,323	(21)	645,123	179,782	-	1,885,207	-	8,121,369	257,351	8,378,720
Closing balance as at 31 December 2020	1,192,954	19,948,329	149,295	1,519,051	33,235,090	(1,519,051)	(3,065,568)	(37)	264,185	(2,129,500)	(3,381,104)	(8,290,074)	5,949,685	52,155,259	3,651,389	55,736,648

The accompanying notes are integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2020

Separate financial statements									
Notes	Retained earnings					Other components of equity		Total equity	
	Issued and paid-up share capital	Premium on share capital	Appropriated - Legal reserve	Reserve for treasury shares	Unappropriated Treasury shares	Treasury shares	Hedging reserves	Perpetual debentures	Total equity
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance as at 1 January 2019	1,192,954	19,948,329	149,295	-	17,901,189	-	(240,106)	-	38,951,661
Dividend payment	32	-	-	-	(1,908,726)	-	-	-	(1,908,726)
Total comprehensive income for the year	-	-	-	-	4,236,535	-	108,644	-	4,345,179
Issuance of perpetual debentures	31	-	-	-	-	-	-	5,949,685	5,949,685
Closing balance as at 31 December 2019	1,192,954	19,948,329	149,295	-	20,228,998	-	(131,462)	5,949,685	47,337,799
Opening balance as at 1 January 2020	1,192,954	19,948,329	149,295	-	20,228,998	-	(131,462)	5,949,685	47,337,799
Treasury shares	30	-	-	-	-	(1,519,051)	-	-	(1,519,051)
Reserve for treasury shares	30	-	-	1,519,051	(1,519,051)	-	-	-	-
Dividend payment	32	-	-	-	(2,539,441)	-	-	-	(2,539,441)
Interest paid on perpetual debentures	31	-	-	-	(300,823)	-	-	-	(300,823)
Total comprehensive income for the year	-	-	-	-	2,653,190	-	183,689	-	2,836,879
Closing balance as at 31 December 2020	1,192,954	19,948,329	149,295	1,519,051	18,522,873	(1,519,051)	52,227	5,949,685	45,815,363

The accompanying notes are integral part of these consolidated and separate financial statements.

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Financial Report

Thai Union Group Public Company Limited

2020 Annual Report

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Thai Union Group Public Company Limited

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**Thal Union Group Public Company Limited**
Statement of Cash Flows
For the year ended 31 December 2020

Notes	Consolidated financial statements			Separate financial statements		
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Net cash receipts from operating activities	43	13,432,410	11,755,298	3,076,718	2,770,782	-
Cash flows from investing activities						
(Increase) Decrease in restricted deposits with financial institutions		(649)	793	-	-	-
Purchases of investment property		-	-	-	(442,289)	-
Purchases of property, plant and equipment and intangible assets		(3,854,884)	(4,604,732)	(419,001)	(1,057,269)	-
Acquire right-of-use assets		-	(69,870)	-	-	-
Proceeds from disposals of property, plant and equipment and intangible assets		128,823	113,388	22,325	5,507	-
Proceeds from disposals of assets of disposal groups classified as held-for-sale		33,831	-	-	-	-
Cash payment for business combinations, net of cash acquired	15	-	(164,046)	-	-	-
Cash payment for investments in subsidiaries	15	(54,020)	(75,104)	(59,617)	(532,787)	-
Cash payment for investments in associates	15	(4,900)	(20,372)	-	-	-
Cash payment for investments in joint ventures	15	(73,057)	162,653	-	(7,500)	-
Proceeds from sale of investment in an associate		789	(321,367)	(2,815,573)	(1,059,006)	-
Net cash receipt (payments) for short-term loans to related parties and third parties	42	-	-	2,591,642	1,012,159	-
Cash receipts from long-term loans to related parties and third parties		(78,751)	-	(532,720)	(502,525)	-
Interest received		50,502	291,459	1,325,025	2,816,260	-
Dividend received		118,728	214,446	2,657,636	3,759,540	-
Net cash receipts from (payments for) investing activities		(3,735,586)	(4,485,260)	2,770,717	3,221,051	-
Cash flows from financing activities						
Net cash receipts from (payments for) short-term loans from financial institutions		2,102,528	(1,952,139)	5,091,118	(2,095,397)	-
Net cash receipts from (payments for) short-term loans from		(37,000)	2,926	108,611	24,081	-
Financial institutions	26	4,296	-	-	-	-
Repayments for long-term loans from financial institutions	26	(69,101)	-	-	-	-
Cash receipts from adventure issuance		6,000,000	-	-	6,000,000	-
Repayments for debentures	27	(3,500,000)	(3,500,000)	-	6,000,000	-
Cash receipts from issuance of perpetual debentures	31	-	6,000,000	-	-	-
Debt issuance costs paid		-	(8,191)	-	(8,191)	-
Perpetual debenture issuance costs paid	31	-	(50,315)	-	(50,315)	-
Interest and other finance costs paid		(1,751,511)	(1,947,907)	(1,528,570)	(1,625,887)	-
Cash paid for lease liabilities	19	(514,380)	(469,100)	(137,177)	(134,281)	-
Interest paid on perpetual debentures	31	(300,823)	-	(300,823)	-	-
Cash receipts from non-controlling interests for additional share capital in a subsidiary		52,281	74,268	-	-	-
Dividends paid to the owners of the parent		(2,538,824)	(1,908,831)	(2,538,825)	(1,908,831)	-
Dividends paid to non-controlling interests		(131,727)	(503,141)	-	-	-
Payments for treasury shares	30	(1,519,051)	-	(1,519,051)	-	-
Net cash payments for financing activities		(8,203,312)	(4,028,081)	(4,325,717)	(2,948,821)	-

The accompanying notes are integral part of these consolidated and separate financial statements.

Thal Union Group Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2020

Notes	Consolidated financial statements			Separate financial statements		
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Net increase (decrease) in cash and cash equivalents		1,493,510	3,241,957	1,523,718	3,043,022	
Cash and cash equivalents - opening balance	10	4,483,430	1,310,948	3,622,572	579,537	
Exchange differences on cash and cash equivalents		42,307	(69,075)	13,917	13	
Cash and cash equivalents - closing balance	10	6,019,247	4,483,430	5,160,207	3,622,572	
Non-cash items						
Payable balances from purchase of property, plant and equipment and intangible assets (included in trade and other payables)	25	366,790	415,353	42,069	114,541	
Reclassify from investments in an associate and joint ventures to investment in subsidiaries	15	249,918	241,806	-	77,356	
Reclassify from investment in a subsidiary and an associate to investment in a joint venture	15	-	(13,781)	-	959	
Acquisitions and remeasurement of right-of-use assets under lease contracts	19	290,051	235,815	53,287	21,634	
Increase in investment in a subsidiary by converting loan receivables to investment	15, 42	-	-	204,122	-	
Increase in investment in a subsidiary by exercising derivative liabilities	15	34,374	-	-	-	

The accompanying notes are integral part of these consolidated and separate financial statements.



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

1 General information

Thai Union Group Public Company Limited (the "Company") is a public limited company, which is listed on the Stock Exchange of Thailand, and is incorporated and domiciled in Thailand. The current address of the Company's registered office is 271, Sukhumvit 11 Road, Tambon Talat, Amphur Muang, Samutsakorn. The Company has 13 branches in Bangkok and Samutprakarn.

For reporting purposes, the Company and its subsidiaries are referred to as 'the Group'.

The Company operates its business in Thailand and its subsidiaries conduct business in Thailand and overseas. The principal activities of the Company and the Thai subsidiaries are the manufacture and sale of frozen, chilled and canned seafood. Some Thai subsidiaries are also engaged in packaging, printing and pet food businesses.

Overseas subsidiaries principally operate the following businesses. Subsidiaries in the US manufacture and distribute lobster and other seafood products and import shrimp and other frozen seafood products for sales to restaurant chains, retailers and wholesalers. Subsidiaries in Europe manufacture and distribute ambient and chilled seafood products to countries in Europe, the US and Australia under their trademarks. Subsidiaries in Asia manufacture and distribute seafood in Vietnam and China.

These consolidated and separate financial statements were authorised for issuance by the Board of Directors on 22 February 2021.

2 Significant events during the current period

The outbreak of COVID-19 in early 2020 has an impact on the operating results of many industries, including the Group's operating results.

With a series of precautionary measures continuing to be implemented across various countries, including restrictions on travel, the Group is closely monitoring its impact on operations and devising appropriate strategies to deal with the issue.

To continue to meet strategic goals and customer demands, the Group has established a crisis management team that regularly reviews the situation with subsidiaries in each region to make sure measures and decisions are effective and in line with Group strategy. In addition, the Group is taking steps to ensure business continuity and liquidity by setting aside appropriate reserves and putting in place measures for effective cost and working capital management.

3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except financial assets measured with fair value and derivatives as explained in relevant accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

An English version of these consolidated and separate financial statements has been prepared from the statutory financial statements in Thai. If there is a conflict or a difference in interpretation between the two languages, the Thai language version shall prevail.

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

4 New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020

- a) Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) clarifies the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. The Group must account for such interests under TFRS 9. Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.
- b) Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) enabling the Group to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.
- c) TFRIC 23, Uncertainty over income tax treatments explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:
- that the Group should assume a tax authority will examine the uncertain tax treatments and have knowledge of related information, i.e. that detection risk should be ignored;
 - that the Group should not adjust the deferred tax asset in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
 - that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group's management assessed and considered that the above new and amended standards do not have a significant impact on the Group.

With respect to the new financial reporting standards relate to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases (TFRS 16), the Group has early adopted these new financial reporting standards since 1 January 2019. Therefore, there is no impact from first-time adoption of these standards to the financial statements for the year ended 31 December 2020.

4.2 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 which have not been adopted by the Group

The Group is currently assessing the impact of adoption of these new and amended standards that have been issued that are not mandatory for current reporting period.

- a) Revised Conceptual Framework for Financial Reporting added the following key principles and guidance:
- Measurement and disclosure of assets and liabilities based on the business model and the nature of the assets and liabilities
 - Presentation and disclosure, including classification of income and expenses in other comprehensive income
 - Definition of a reporting entity, which may be a legal entity, or a portion of an entity
 - Derecognition of assets and liabilities
- b) Amendment to TFRS 3, Business combinations amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.
- c) Amendment to TFRS 9, Financial instruments, and TFRS 7, Financial instruments: Disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.
- d) Amendment to TAS 1, Presentation of financial statements, and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.



Thal Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

4.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have significant impacts to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

Amendment to IFRS 16, Leases amended to include a practical expedient for leases that are modified as a direct consequence of IFRS 16 (e.g. replacement of THORX as a benchmark interest rate due to the cancellation of IFRS 16) for leases to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

The Group and the Company has chosen not to early apply the exemption for the current reporting period.

5 Accounting policies

5.1 Principles of consolidation and equity accounting

5.1.1 Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

A list of the Group's subsidiaries has been disclosed in Note 15.1.

5.1.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost method.

A list of the Group's principal associates has been disclosed in Note 15.2.

5.1.3 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Group's financial statements line items.

Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method of accounting.

In the separate financial statements, investments in joint ventures are accounted for using cost method.

A list of the Group's joint ventures has been disclosed in Note 15.3.

Thal Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

5.1.4 Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently shares of its associates and joint ventures' profits or losses and other comprehensive income are presented in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on their behalf of the associates and joint ventures.

5.1.5 Changes in ownership interests

The Group treats transactions with non-controlling interests as transactions with Group equity owners as long as they do not result in a loss of control. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received are recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss reducing the ownership interest in associates and joint ventures is recognised in profit or loss.

When the Group loses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, and the change in carrying amount recognised in profit or loss. The fair value is based on the fair value of the retained interest which is reclassified to investment in an associate, joint venture or financial asset accordingly.

5.1.6 Intercompany transactions on consolidation

Intercompany transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries and equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

5.2 Business combination

The Group applies the acquisition method to account for business combinations except for those under common control. The consideration transferred for the acquisition of a subsidiary comprises

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquire, and
- equity interests issued by the Group.

Identifiable assets and liabilities acquired, and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related costs are recognised as expenses in the consolidated financial statements, while they are recognised as cost of investment in the separate financial statements.

Step-up acquisition

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from this remeasuring is recognised in profit or loss.



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Contingent consideration paid and/or received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

5.3 Foreign currency translation

5.3.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates, the functional currency. The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

5.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates or the revaluation date where items are re-measured.

Foreign exchange gains and losses resulting from foreign currency transactions of monetary assets and liabilities are recognised in the profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Any exchange component of gains and losses on a non-monetary item recognised in profit or loss, or other comprehensive income is recognised following the gain or loss recognition on that item.

5.3.3 Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the respective statement of financial position.
- Income and expenses for each statement of income and statement of comprehensive income are translated at average exchange rates.
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising from acquiring a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

5.4 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, short-term highly liquid investments with maturities of three months or less from the acquisition date and bank overdrafts.

In the statement of financial position, bank overdrafts are shown in current liabilities.

5.5 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration, which is unconditional unless they contain significant financing components in which case they are recognised at present value.

The impairment of trade receivables is disclosed in Note 5.7.

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

5.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchases comprises both the purchase price and the costs directly attributable to the inventory's acquisition, such as import duties and transportation charges, less all attributable discounts, rebates and other similar items. The cost of finished goods and work in progress comprises raw materials, direct labour costs, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for slow-moving, obsolete and defective inventories.

5.7 Financial assets

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing them and the contractual terms of the cash flows whether they represent solely payments of principal and interest (SPPI).

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

At initial recognition, the Group measures a financial asset, in the case of a financial asset not at FVPL, at its fair value plus or minus transaction costs directly attributable to its acquisition. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest (SPPI).

Subsequent measurements of debt instruments depend on the Group's business model for managing the financial assets and their cash flow characteristics. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** A financial asset will be measured at amortised cost when holding it to collect contractual cash flows is the objective of its business model. In addition, the contractual terms of the financial asset will give rise to cash flows on specified dates, which are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- **FVOCI:** A financial asset will be measured at FVOCI when it is held for both collecting contractual cash flows and selling financial assets to achieve the business model objective. In addition, the contractual terms of the financial asset will give rise to cash flows on specified dates, which are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in financial income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as a separate line item in the statement of income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of income as applicable. Impairment losses (and the reversal) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Recognition and derecognition

The Group shall recognise a financial asset in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flow from them expire, or have been transferred and the Group has transferred substantially all the risks and rewards of their ownership.

Impairment

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, which applies lifetime expected credit loss, from initial recognition for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money, and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

The Group and the Company write-off trade receivables and other financial assets when there is no reasonable expectation of recovery. Impairment losses are presented as net impairment losses within other gains/(losses) in the statement of income. Subsequent recoveries of amounts previously written off are credited against the same line item.

5.8 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as held-for-sale assets when their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less cost to sell.

An impairment loss is recognised to the write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised.

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale, and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resell. The results of discontinued operations are presented separately in the statement of profit or loss.

5.9 Investment property

Investment property is measured initially at cost, including directly attributable costs and borrowing costs. Subsequently, the investment property is carried at cost less accumulated depreciation and impairment. Land is not depreciated.

5.10 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical costs include expenditures directly attributable to the items' acquisition.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of replaced parts are derecognised. All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Land improvements	5 - 40 years
Buildings and building improvements	5 - 40 years
Machinery and factory equipment	3 - 20 years
Furniture, fixtures and office equipment	3 - 20 years
Vehicles	3 - 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount, and they are recognised in other gains or losses in the statement of income.

5.11 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill can be monitored for internal management purposes, i.e. the operating segments.

5.12 Intangible assets

Research and development

Research expenditure is recognised as an expense as it is incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditures are recognised as expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised on a straight-line basis from the commencement of the product's commercial production over the period of its expected benefit, not exceeding 10 years.



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Trademarks and Licenses

Separately acquired trademarks and licenses are initially recorded at historical cost. Trademarks and licenses acquired in business combinations are initially recognised at fair value at the acquisition date. Trademarks and licenses with an indefinite useful life are carried at cost less allowance for impairment. Trademarks and licenses with a finite useful life are carried at cost less accumulated amortisation and allowance for impairment. The trademarks presented in these financial statements have indefinite useful lives and are tested annually for impairment. The licenses have definite useful lives and are amortised using the straight-line method to allocate the cost of licenses over their estimated useful lives of 2 - 19 years.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire that software and bring it to use. These costs are amortised over their estimated useful lives of 2 - 10 years.

Contractual customer and distributor relationships

Contractual customer and distributor relationships acquired in a business combination are initially recognised at fair value at the acquisition date. The contractual customer and distributor relationships have a finite useful life and are carried at cost less accumulated amortisation and allowance for impairment. Amortisation is calculated using the straight-line method over the expected lives of 5 - 20 years.

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs, when directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to raise the necessary funds to complete the software product and use or sell it;
- the expenditure can be reliably measured;
- the software product will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development and to use or sell the software product; and
- the expenditure attributable to the software product during its development can be reliably measured

Directly attributable costs that are capitalised as part of the software product include employee costs of the software development team and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives between 3 years and 10 years.

5.13 Impairment of assets

An asset with an indefinite useful life is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. An asset that is subject to amortisation is reviewed for impairment whenever there is an indication of impairment. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, impairment losses on the assets concerned other than goodwill is reversed.

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

5.14 Leases

Leases - where the Group is the lessee

At contract inception, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right of use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, less initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date and discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, and extension option payments or purchase options which the Group is reasonably certain to exercise.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is measured in subsequent periods using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of negotiation, changes of an index or rate or in case of reassessment of options.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the remeasurement amount of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - where the Group is the lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify a lease as a finance lease, the Group assesses whether the lease transfers substantially all the risks and rewards incidental to the underlying asset's ownership. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

5.15 Financial liabilities

Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement with the issuer of cash or another financial asset in the form of equity instruments.
- Where the Group has an unconditional obligation to issue an equity instrument in order to deliver cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the liability settlement for at least 12 months after the reporting date.

Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

Recognition, derecognition and modification

The Group shall recognise a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Financial liabilities are derecognised from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modifies, the Group assesses whether the renegotiation/modification results in the derecognition of that financial liability. Where the modification results in an extinguishment of the original financial liability, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of the financial liability is derecognised. The difference as well as proceeds paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

5.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

5.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current income tax

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not recognised for temporary differences arising from:

- initial asset or liability recognition in a transaction other than a business combination that affects neither accounting nor taxable profit or loss
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which the temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset them and intends either to settle them on a net basis, or to realise the asset and settle the liability simultaneously.

5.18 Employee benefits

Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

Defined contribution plan

A defined contribution plan or provident fund is a post-retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

Defined benefit plan

The amount of retirement benefits is defined by the agreed benefits the employees will receive after employment completion. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are charged or credited to other comprehensive income in the periods in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

Other long-term benefits

The Group operates other long-term benefit schemes for employees who complete the service years according to the policy.

These obligations are measured similarly to defined benefit plans except that remeasurement gains and losses are charged to profit or loss.



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Termination benefits

The Group recognises termination benefits at the earlier of a) when the Group can no longer withdraw the offer of those benefits; and b) when the entity recognises costs for the related restructuring. Benefits more than 12 months due are discounted to their present value.

5.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. An increase in the provision due to passage of time is recognised as interest expense.

5.20 Share capital

Ordinary shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Treasury share

Where any companies within the Group repurchases its shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

5.21 Revenue recognition

The Group recognises revenue in the period when they transfer control of goods or services to customers in an amount that reflects the net consideration the Group expects to receive. Depending on the underlying contract's terms and conditions, the Group may be acting as a principal or an agent. When acting as a principal, the Group has control of the goods transfers to the customer. At contract inception, the Group assesses the goods promised in the contract to identify the performance obligations. Each performance obligation is a promise to transfer to the customer a good or service that is distinct. The transaction price will need to be allocated to the distinct performance obligations based on the relative standalone selling price of the goods and other performance obligations to ensure that revenue is recognised at the appropriate time and for the correct amount.

The Group recognises revenue when it satisfies a performance obligation by transferring the promised goods or services to the customer, which is when the customer gains control of those goods, or services. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. A performance obligation may be satisfied at a point in time, typically for promises to transfer goods to a customer, or over time, typically for promises to transfer services to a customer.

Interest income is recognised on an accrual basis, using the effective interest method.

Revenue arising from royalties is recognised at the later of a) when the subsequent sale or usage occurs; and b) the satisfaction or partial satisfaction of the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated.

Dividend income is recognised when the right to receive payment is established.

5.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the consolidated and separate financial statements in the period in which the dividends are approved by the Company's shareholders, and the interim dividends are approved by the Board of Directors.

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

5.23 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument in hedge accounting, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or unrecognised firm commitments (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between the hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. A derivative that does not apply hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains (losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract that is related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the spot component change are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item (calculated as the difference between the forward rate at the reporting date and the forward rate at the inception date). In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, is sold or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in profit or loss and are included in other gains (losses).

5.24 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under TFRS 9; and
- the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of TFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between a) the contractual payments required under the debt instrument, and b) the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

6 Financial risk management

6.1 Financial risk factors

The Group is exposed to a variety of financial risks, market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Financial risk management is carried out by the Group Treasury Committee. The Group's policy includes areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and used as the key communication and control tools for the Treasury team globally.

6.1.1 Market risk

a) Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk arising mainly from trading transactions and borrowings denominated in foreign currencies. The Group seeks to reduce this risk by entering forward exchange contracts when considered appropriate. The Group uses forward contracts, transacted with financial institutions to hedge their exposure to foreign currency risk in connection with their measurement currency.

The Group uses a combination of foreign currency options and foreign currency forwards to hedge its exposure to foreign currency risk. Under the group's policy, the critical terms of the forwards and options must align with the hedged items.

The Group only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. It is discounted, where material.

The intrinsic value of foreign currency options is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the discounted spot market exchange rate is defined as the time value. It is discounted, where material.

The changes in the forward element of the foreign currency forwards and the time value of the options that relate to hedged items are deferred in the costs of hedging reserve.

The Group also entered into foreign currency forwards in relation to projected purchases for the next 12 months that do qualify as 'highly probable' for transactions and hedge relationships for hedge accounting (economic hedges). The foreign currency forwards are subject to the same risk management policies as all other derivative contracts. However, they are accounted for as held for trading, with gains (losses) recognised in profit or loss.

Exposure

The Group and the Company's financial assets and liabilities balances denominated in foreign currencies are summarised in currency units below.

As at 31 December	Consolidated financial statements				Average exchange rate	
	2020 Thousand Currency unit	2019 Thousand Currency unit	2020 Thousand Currency unit	2019 Thousand Currency unit	Baht per currency unit	2019 Baht per currency unit
EUR	425,236	415,946	77,245	55,199	36.88	33.73
USD	1,327,540	1,284,105	382,527	442,988	30.04	30.15
JPY	51,399	44,071	134,567	117,266	0.29	0.28
NOK	55,815	14,302	48,382	93,925	3.50	3.42
GBP	116,939	109,515	50,820	85,177	40.64	39.52
PLN	180,869	2,016	4,736	3,673	3.67	3.73
CZK	180,869	224,890	108,189	193,804	1.41	1.41
GHS	981	5,352	7,895	1,413	4.410	5.53
RUB	1,514,284	67,972	-	-	-	4.31
CNY	25,424	-	-	-	-	4.62

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

As at 31 December	Separate financial statements				Average exchange rate	
	2020 Thousand Currency unit	2019 Thousand Currency unit	2020 Thousand Currency unit	2019 Thousand Currency unit	Baht per currency unit	2019 Baht per currency unit
EUR	418,110	413,126	23,858	13,107	36.88	33.73
USD	1,043,370	1,008,339	163,364	187,751	30.04	30.15
JPY	31,962	38,389	203	-	0.29	0.28
NOK	-	114	554	537	3.50	3.42
GBP	25,553	40,534	12,746	342	40.64	39.52
PLN	88,987	111,834	-	142	3.67	3.71
CNY	25,424	42,264	-	-	4.62	4.31

Effects of hedge accounting on the financial position and performance

The effects of the foreign currency-related hedging instruments on the Group and the Company's financial position and performance are as follows.

As at 31 December

Cash flow hedge

Foreign currency forward contracts

Consolidated financial statements				Separate financial statements	
2020				2020	
Net carrying amount of hedging instruments (Thousand Baht)	1,283,457	2,243,171	1,031,884	1,031,884	2,318,915
USD	1,100,009	1,080,656	630,988	630,988	659,949
EUR	280,965	363,731	238,955	238,955	288,429
CNY	32,000	45,000	32,000	32,000	45,000
January 2021 - October 2023	1.1	1.1	1.1	1.1	1.1
January 2021 - October 2023	1.1	1.1	1.1	1.1	1.1
Change in value of outstanding hedging instruments used for measuring ineffectiveness for the year (Thousand Baht)	1,581,893	1,335,242	1,395,285	1,395,285	1,804,303
Weighted average strike rate for outstanding hedging instruments USD:THB	31.03	31.07	31.16	31.16	31.48
EUR:THB	39.24	39.88	39.24	39.88	39.88
CNY:THB	4.30	4.34	4.30	4.30	4.34

Cross currency and interest rate swaps

Net carrying amount of hedging instruments (Thousand Baht)	363,481	933,892	363,481	933,892
USD	98,000	122,000	98,000	122,000
PLN	141,819	141,819	141,819	141,819
January 2021 - April 2026	1.1	1.1	1.1	1.1
January 2021 - April 2026	1.1	1.1	1.1	1.1
Change in value of outstanding hedging instruments used for measuring ineffectiveness for the year (Thousand Baht)	503,618	(357,553)	503,618	(357,553)
Weighted average strike rate for outstanding hedging instruments USD:THB	33.93	33.93	33.93	33.93
EUR:THB	40.59	40.59	40.59	40.59
PUNEUR	4.35	4.35	4.35	4.35

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Fair value hedge				
Cross currency and interest rate swaps				
Net carrying amount of hedging instruments (Thousand Baht)	54,587	70,670	54,587	70,670
Notional amount (Thousand USD)	30,000	30,000	30,000	30,000
Maturity date	June 2022	June 2022	June 2022	June 2022
Hedge ratio	1:1	1:1	1:1	1:1
Carrying value of outstanding hedging instruments used for measuring ineffectiveness for the year (Thousand Baht)	(19,981)	33,436	(19,981)	33,436
Accumulated amount of fair value hedge remaining in the statement of financial position for hedged items that have ceased to be adjusted for hedging gain / loss (Thousand Baht)	61,316	81,272	61,316	81,272
Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item recognised in the statement of financial position (Thousand Baht)	13,535	(9,954)	13,535	(9,954)
Weighted average hedged rate for the year (per annum)	3.7%	3.7%	3.7%	3.7%

Sensitivity

As shown in the table above, the Group is primarily exposed to changes between Baht and US Dollar or Euro exchange rates. The sensitivity of pre-tax profit or loss to changes in the exchange rates arises, while holding all other variables constant, mainly from financial assets and financial liabilities denominated in US Dollar and Euro and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

As at 31 December 2020	Consolidated financial statements		Separate financial statements	
	Impact to net profit	Impact to components of equity	Impact to net profit	Impact to components of equity
Exchange rate THB to USD Increase / Decrease 7%	1,014,111	1,067,849	1,014,111	1,067,849
Exchange rate THB to EUR Increase / Decrease 9%	361,061	-	361,061	-

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to its deposits at financial institutions, long-term loans to related parties, short-term borrowings, long-term borrowings and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, including those the Group had entered into as interest rate swap agreements.

The Group sometimes borrows at variable rates and uses interest rate swaps to hedge future interest payments, which has the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the Group to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Under the interest rate swaps, the Group agrees with the other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rates interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement.

Significant financial assets and liabilities classified by interest rates type are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

As at 31 December 2020	Consolidated financial statements													
	Fixed interest rates						Floating interest rates						Non-floating interest rates	
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years	Total	Interest rate
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	% p.a.
Financial assets														
Cash and cash equivalents	93	-	-	4,593	-	-	-	-	-	1,600	6,296	0.01 - 3.50	-	-
Short-term loans to related parties	-	4	-	-	-	-	-	-	-	9	-	0.25 - 0.60	-	-
Long-term loans to related parties	-	-	-	-	-	-	-	-	-	1	-	-	1	-
	93	4	-	4,593	-	-	-	-	-	1,610	6,301	-	-	-
Financial liabilities														
Bank overdrafts and short-term loans from financial institutions	11,679	-	-	1,727	-	-	-	-	-	-	13,406	0.65 - 4.60	-	-
Short-term loans from related parties	30	-	-	-	-	-	-	-	-	1	59	0.80 - 1.25	-	-
Long-term loans from related parties	58	214	39	1,569	12,515	-	-	-	-	15	14,008	1.22 - 5.75	-	-
Financial institutions	6,403	11,043	12,249	-	-	-	-	-	-	23	29,341	2.52 - 5.75	-	-
Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	403	672	37	11	78	-	-	-	-	-	1,201	3.49 - 6.00	-	-
	18,245	11,929	12,325	3,307	12,593	-	-	-	-	16	58,415	-	-	-
As at 31 December 2019														
	Fixed interest rates						Floating interest rates						Non-floating interest rates	
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years	Total	Interest rate
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	% p.a.
Financial assets														
Cash and cash equivalents	3,596	-	-	228	-	-	-	-	-	865	4,689	0.01 - 1.35	-	-
Short-term loans to related parties	121	4	-	2	-	-	-	-	-	10	133	1.2 - 5	-	-
Restricted bank deposits	-	-	-	-	-	-	-	-	-	4	0.60 - 1.05	-	-	-
Long-term loans to related parties	-	241	-	-	-	-	-	-	-	-	241	4.00	-	-
	3,717	245	-	230	-	-	-	-	-	-	5,067	-	-	-
Financial liabilities														
Bank overdrafts and short-term loans from financial institutions	10,371	-	-	811	-	-	-	-	-	-	11,182	0.75 - 5.22	-	-
Short-term loans from related parties	82	-	-	-	-	-	-	-	-	14	96	1.10	-	-
Long-term loans from related parties	52	200	36	64	14,072	-	-	-	-	11	14,435	1.55 - 5.75	-	-
Financial institutions	3,560	17,080	12,256	27	5	-	-	-	-	-	32,843	2.03 - 5.18	-	-
Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	360	828	129	27	5	-	-	-	-	-	1,349	4.50 - 6.00	-	-
	14,965	18,115	12,421	902	14,077	-	-	-	-	25	59,945	-	-	-



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As at 31 December 2020	Separate financial statements									
	Fixed interest rates					Floating interest rates				
	Within 1 Month Million Baht	1-5 Months Million Baht	Over 5 Months Million Baht	Within 1 Month Million Baht	1-5 Months Million Baht	Over 5 Months Million Baht	Within 1 Month Million Baht	1-5 Months Million Baht	Over 5 Months Million Baht	Non- Interest Bearing Million Baht
Financial assets										
Cash and cash equivalents	4,156	-	-	4,515	-	-	-	-	-	731
Short-term loans to	-	-	2,179	8,883	-	-	-	-	-	-
Long-term loans to	-	46,113	-	-	14,516	803	-	-	-	43
	4,156	46,113	2,179	13,398	14,516	803	744	-	-	51,909
Financial liabilities										
Borrowings from financial institutions	6,889	-	-	-	-	-	-	-	-	6,889
Short-term loans from	81	-	-	-	-	-	-	-	-	-
Long-term loans from	-	-	-	-	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-	-	-	-	-
Debt securities	6,049	11,043	12,249	1,509	12,484	-	-	-	-	13,903
Lease liabilities	97	312	21	-	-	-	-	-	-	29,341
	13,116	11,355	12,270	1,509	12,484	-	-	-	-	50,734
As at 31 December 2019	Separate financial statements									
	Fixed interest rates					Floating interest rates				
	Within 1 Month Million Baht	1-5 Months Million Baht	Over 5 Months Million Baht	Within 1 Month Million Baht	1-5 Months Million Baht	Over 5 Months Million Baht	Within 1 Month Million Baht	1-5 Months Million Baht	Over 5 Months Million Baht	Non- Interest Bearing Million Baht
Financial assets										
Cash and cash equivalents	3,500	-	-	74	-	-	-	-	-	85
Short-term loans to	3,229	-	-	6,012	-	-	-	-	-	-
Long-term loans to	-	31,673	2,218	-	2,379	-	-	-	-	-
	6,729	31,673	2,218	6,086	2,379	-	-	-	-	85
Financial liabilities										
Borrowings from financial institutions	1,744	-	-	-	-	-	-	-	-	1,744
Short-term loans from	-	-	-	8	-	-	-	-	-	-
Long-term loans from	-	-	-	-	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-	-	-	-	-
Debt securities	3,500	17,087	12,256	-	13,981	-	-	-	-	13,981
Lease liabilities	113	298	82	-	-	-	-	-	-	32,843
	5,367	17,385	12,338	8	13,981	-	-	-	-	49,509

Profit or loss is sensitive to higher or lower interest expenses from borrowings as a result of changes in interest rates. If the interest rate changes by 1% per annum, interest expenses will change by Baht 148 million.

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

6.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), derivative financial instruments as well as credit exposures to customers, including outstanding receivables.

a) Risk management

Policy on credit risk management is set from the group level and is managed and monitored both at a group level as a holistic view and at each company level as detail execution. For banks and financial institutions, only reliable parties are accepted. Regarding transactions with customers, the Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history, taking into account its financial position, creditworthiness and other factors. The Group also has policies in place to ensure that the Group's credit risk management policy to cover trade receivables delinquency risk and to set the credit limit to each customer based on risk assessments in accordance with the aforementioned policies. Credit term, security requirement, and trade receivables factoring will also be used to prevent or reduce the potential risks arisen. The compliance with credit limits by customers is regularly monitored by line management. There are no significant concentrations of credit risk.

The Group's investments in debt instruments are considered to be low risk investments. The Group regularly monitors the credit ratings of the investments for credit deterioration.

b) Security

For some trade receivables, the Group may obtain security in the forms of cash deposit, bank guarantees, or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

c) Impairment of financial assets

The Group and the Company's financial assets are subject to the expected credit loss model.

The expected loss rates are based on the payment profiles of sales over a period of the last 5 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Loans to related parties measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

The loss allowance for trade receivables was determined as follows:

	Consolidated financial statements							
	Up to 3 months		3 - 6 months		6 - 12 months		Over 12 months	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2020								
Gross carrying amount	8,738,141	2,510,084	115,376	32,013	188,987	11,584,621		
Loss allowance	(4,281)	(29,715)	(21,462)	(27,981)	(188,987)	(272,536)		
As at 31 December 2019								
Gross carrying amount	9,745,301	2,586,633	162,667	99,908	250,543	12,845,052		
Loss allowance	(4,089)	(37,331)	(13,240)	(32,827)	(225,429)	(312,907)		
Separate financial statements								
	Up to 3 months		3 - 6 months		6 - 12 months		Over 12 months	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2020								
Gross carrying amount	2,610,486	257,232	1,700	4,161	3,012	2,876,591		
Loss allowance	(396)	(243)	(330)	(1,535)	(2,821)	(5,325)		
As at 31 December 2019								
Gross carrying amount	2,682,964	826,274	26,989	30,870	49,145	3,616,262		
Loss allowance	(2,010)	(624)	(3,196)	(3,302)	(47,284)	(56,418)		
The loss allowance for short-term and long-term loans to were determined as follow:								
Consolidated financial statements								
	Within 1 year		1 - 5 years		Over 5 years		Total	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2020								
Gross carrying amount	253,857	-	-	-	-	253,857		
Short-term loans to	-	-	601	-	-	601		
Long-term loans to	(244,913)	-	-	-	-	(244,913)		
As at 31 December 2019								
Gross carrying amount	132,766	-	-	-	-	132,766		
Short-term loans to	-	-	249,201	-	-	249,201		
Long-term loans to	-	-	-	-	-	-		
As at 31 December 2020								
Gross carrying amount	13,296,235	-	31,771,555	2,407,312	-	13,296,235		
Short-term loans to	-	-	-	-	-	-		
Long-term loans to	(257,644)	(326,155)	(228,213)	(812,012)	-	(1,313,924)		
As at 31 December 2019								
Gross carrying amount	9,253,420	-	2,416,121	-	-	9,253,420		
Short-term loans to	-	-	34,271,400	-	-	34,271,400		
Long-term loans to	(11,644)	(219,389)	(198,363)	(429,366)	-	(429,366)		

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5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and funding availability through an adequate amount of committed credit facilities. Unused borrowing facilities have been disclosed in Note 26. Due to the nature of the underlying business, the Group Treasury aims at maintaining funding flexibility by keeping committed credit lines available.

An analysis of the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities is presented in Note 6.1.1.

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

The Group's trading portfolio of derivative instruments with a negative fair value has been included at their fair value in the consolidated and separate financial statements of Baht 66 million and Baht 22 million, respectively for 2019. Baht 69 million and Baht 21 million, respectively within 1 year time bucket. This is because the contractual maturities are not essential for an understanding of the cash flows' timing. These contracts are managed on a net fair value basis, rather than by maturity date.

Consolidated financial statements						Carrying amount
Within 1 year		1-5 years		Over 5 years	Total	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Non-derivatives financial liabilities						
Trade and other payables						
18,809,434	26,912,064	12,638,792	61,666,307	18,809,434	18,809,434	18,809,434
22,115,451	858,450	38,090	1,369,987	57,213,887	57,213,887	57,213,887
473,457	335,459	-	2,832,245	1,201,318	1,201,318	1,201,318
2,496,786	-	-	-	2,832,245	2,832,245	2,832,245
Other financial liabilities						
43,895,128	28,105,973	12,676,882	84,677,983	88,056,894	88,056,894	88,056,894
Derivatives liabilities						
Trading derivatives						
59,746	7,670	-	66,416	66,416	66,416	66,416
Gross settled (Foreign currency forwards)						
(5,487,617)	(2,491,098)	-	(7,978,715)	253,339	253,339	-
5,617,197	2,617,780	-	6,234,977	-	-	-
129,580	126,682	-	256,262	253,339	253,339	253,339
Gross settled (Cross currency and interest rate swaps)						
(1,600,967)	(330,265)	(2,294,467)	(4,225,699)	-	-	-
1,878,712	370,760	2,575,795	4,826,327	678,807	678,807	678,807
278,805	40,495	281,328	600,628	678,807	678,807	678,807
467,131	174,847	281,328	923,306	988,562	988,562	988,562
Total derivatives						
44,362,259	28,280,820	12,958,210	85,601,289	81,055,446	81,055,446	81,055,446
Total						



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	Consolidated financial statements					Carrying amount	
	Within 1 year	1 - 5 years	Over 5 years	Total		Thousand	Baht
	Thousand	Thousand	Thousand	Thousand		Thousand	Baht
Maturity of financial liabilities As at 31 December 2019	Baht	Baht	Baht	Baht			
Trade and other payables	19,127,817	-	-	19,127,817		19,127,817	19,127,817
Short-term and long-term borrowings	15,982,987	35,464,466	13,075,305	64,522,758		58,555,318	58,555,318
Lease liabilities	434,086	891,086	129,055	1,574,147		1,349,443	1,349,443
Other financial liabilities	357,401	2,346,484	-	2,703,885		2,703,885	2,703,885
Total non-derivative financial liabilities	35,922,211	38,802,036	13,204,360	87,928,607		81,736,463	81,736,463
Derivatives							
Trading derivatives	28,480	40,562	-	69,042		69,042	69,042
Gross settled (Foreign currency forwards)	(2,029,780)	(61,365)	-	(2,091,145)		-	-
(Inflow)	2,067,347	65,604	-	2,132,951		194,499	194,499
Outflow	37,567	4,239	-	41,806		194,499	194,499
Gross settled (Cross currency and interest rate swaps)	(131,394)	(2,758,727)	(92,571)	(2,982,692)		-	-
(Inflow)	198,032	3,097,936	104,131	3,370,099		798,696	798,696
Outflow	36,638	339,209	11,560	387,407		798,696	798,696
Total derivatives	102,865	384,010	11,560	498,255		1,982,237	1,982,237
Total	36,024,996	39,186,046	13,215,920	88,426,962		82,798,700	82,798,700

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

	Separate financial statements					Carrying amount	
	Within 1 year	1 - 5 years	Over 5 years	Total		Thousand	Baht
	Thousand	Thousand	Thousand	Thousand		Thousand	Baht
Maturity of financial liabilities As at 31 December 2020	Baht	Baht	Baht	Baht			
Trade and other payables	2,952,234	-	-	2,952,234		2,952,234	2,952,234
Short-term and long-term borrowings	15,488,265	26,650,902	12,598,867	54,749,034		50,303,836	50,303,836
Lease liabilities	113,415	344,628	20,946	478,989		429,568	429,568
Other financial liabilities	177,005	96,468	-	273,483		273,483	273,483
Total non-derivative financial liabilities	18,740,919	27,094,018	12,620,813	58,455,750		53,961,131	53,961,131
Derivatives							
Trading derivatives	22,024	-	-	22,024		22,024	22,024
Gross settled (Foreign currency forwards)	(3,105,840)	(2,491,098)	-	(5,596,938)		-	-
(Inflow)	3,181,273	2,617,780	-	5,799,053		152,231	152,231
Outflow	75,433	126,682	-	202,115		152,231	152,231
Gross settled (Cross currency and interest rate swaps)	(1,600,967)	(330,265)	(2,284,467)	(4,225,699)		-	-
(Inflow)	1,879,772	370,760	2,575,795	4,826,327		588,744	588,744
Outflow	278,805	40,495	281,328	600,628		588,744	588,744
Total derivatives	376,262	167,177	281,328	824,767		762,999	762,999
Total	19,117,181	27,261,195	12,902,141	59,280,517		54,724,130	54,724,130



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

	Consolidated financial statements				
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Carrying amount liabilities Thousand Baht
Maturity of financial liabilities As at 31 December 2019					
Non-derivatives financial liabilities					
Trade and other payables	4,368,515	-	-	4,368,515	4,368,515
Short-term and long-term borrowings	6,634,375	34,752,294	13,038,857	54,425,526	48,576,898
Lease liabilities	132,960	343,161	81,540	557,661	492,927
Other financial liabilities	28,100	79,403	-	107,503	107,503
Total non-derivative financial liabilities	11,163,950	35,174,858	13,120,397	59,459,205	53,545,743
Derivatives					
Trading derivatives	20,728	-	-	20,728	20,728
Gross settled (Foreign currency forwards) (Inflow)	(1,248,136)	(61,365)	-	(1,310,501)	-
Outflow	1,281,080	65,604	-	1,346,684	639
	31,944	4,239	-	36,183	639
Gross settled (Gross currency and interest rate swaps) (Inflow)	(131,394)	(2,758,727)	(92,571)	(2,982,692)	-
Outflow	168,032	3,097,936	104,131	3,370,099	703,830
	36,638	339,209	11,560	387,407	703,830
Total derivatives	89,310	343,449	11,560	444,318	725,197
Total	11,253,260	35,518,306	13,131,957	59,903,523	54,270,940

6.2 Capital risk management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. However, the Group and the Company are required to comply with the debt covenants for borrowings (Note 26 and 27).

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

7 Financial assets and liabilities and fair value

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Consolidated financial statements			
	FVPL Thousand Baht	Fair value - Derivatives Thousand Baht	FVOCI Thousand Baht	Amortised cost Thousand Baht
As at 31 December 2020				
Financial assets				
Cash and cash equivalents	-	-	-	6,286,409
Trade and other receivables, net	-	-	-	12,230,395
Short-term loans to	-	-	-	8,944
Other current assets	-	-	-	51,794
Derivative assets	-	3,057,298	-	3,057,298
Restricted deposits with financial institutions	-	-	-	5,017
Financial assets measured at fair value	12,442,244	-	35,298	-
Long-term loans to, net	-	-	-	12,477,542
Other non-current assets	-	-	-	601
	12,442,244	3,057,298	35,298	244,831
				34,382,831
Financial liabilities				
Bank overdrafts and short-term loans	-	-	-	13,406,089
Trade and other payables	-	-	-	18,809,434
Short-term loans from	-	-	-	59,147
Other current liabilities	-	-	-	2,496,786
Long-term loans from financial institutions, net	-	-	-	14,407,799
Debentures, net	-	-	-	29,340,852
Lease liabilities, net	-	-	-	1,201,318
Derivative liabilities	-	988,562	-	988,562
Other non-current liabilities	-	-	-	335,459
	-	988,562	-	80,056,884
				81,055,446
As at 31 December 2019				
Financial assets				
Cash and cash equivalents	-	-	-	4,689,470
Trade and other receivables, net	-	-	-	13,989,908
Short-term loans to	-	-	-	132,766
Other current assets	-	-	-	157,124
Derivative assets	-	4,310,476	-	4,310,476
Restricted deposits with financial institutions	-	-	-	4,367
Financial assets measured at fair value	11,461,968	-	43,070	-
Long-term loans to, net	-	-	-	241,138
Other non-current assets	-	-	-	249,348
	11,461,968	4,310,476	43,070	35,279,635
Financial liabilities				
Bank overdrafts and short-term loans	-	-	-	11,181,760
Trade and other payables	-	-	-	19,127,817
Short-term loans from	-	-	-	95,526
Other current liabilities	-	-	-	357,401
Long-term loans from financial institutions, net	-	-	-	14,435,156
Debentures, net	-	-	-	32,842,976
Lease liabilities, net	-	-	-	1,346,443
Derivative liabilities	-	1,062,237	-	1,062,237
Other non-current liabilities	-	-	-	2,346,484
	-	1,062,237	-	81,736,483
				82,798,700



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The Group classified debt investments that do not qualify for measurement at either amortised cost or FVOCI at FVPL. Financial assets mandatorily measured at FVPL include the following:

As at 31 December	Consolidated financial statements	
	2020 Thousand Baht	2019 Thousand Baht
Financial assets measured at fair value		
Unlisted convertible redeemable preference units	12,389,491	11,461,704
Convertible notes	72,537	-
Mutual funds	216	264
Total financial assets measured at fair value	12,462,244	11,461,968

As at 31 December 2020	Separate financial statements		Total Thousand Baht
	Fair value - Derivatives Thousand Baht	FVOCI Thousand Baht	
Financial assets			
Cash and cash equivalents	-	5,246,046	5,246,046
Trade and other receivables, net	-	3,779,108	3,779,108
Short-term loans to related parties	-	13,038,591	13,038,591
Derivative assets	2,656,562	-	2,656,562
Financial assets measured at fair value	-	9,000	9,000
Long-term loans to, net	-	33,624,499	33,624,499
Derivative liabilities	-	26,285	26,285
Other non-current assets	-	-	-
Total	2,656,562	9,000	55,714,529

Financial liabilities			
Bank overdrafts and short-term loans from financial institutions	-	6,889,424	6,889,424
Trade and other payables	-	2,952,234	2,952,234
Short-term loans from	-	80,960	80,960
Other current liabilities	-	177,005	177,005
Long-term loans from financial institutions, net	-	13,992,600	13,992,600
Debt securities, net	-	29,326,952	29,326,952
Long-term liabilities, net	-	429,588	429,588
Derivative liabilities	762,999	-	762,999
Other non-current liabilities	-	98,488	98,488
Total	762,999	53,861,131	54,724,130

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

As at 31 December 2019	Separate financial statements		Total Thousand Baht
	Fair value - Derivatives Thousand Baht	FVOCI Thousand Baht	
Financial assets			
Cash and cash equivalents	-	3,659,253	3,659,253
Trade and other receivables, net	-	4,152,228	4,152,228
Short-term loans to related parties	-	9,241,776	9,241,776
Other current assets	-	4,762	4,762
Derivative assets	4,197,818	-	4,197,818
Financial assets measured at fair value	-	9,000	9,000
Long-term loans to, net	-	36,269,769	36,269,769
Other non-current assets	-	23,389	23,389
Total	4,197,818	9,000	57,559,003

Financial liabilities			
Bank overdrafts and short-term loans from financial institutions	-	1,744,080	1,744,080
Trade and other payables	-	4,368,515	4,368,515
Short-term loans from	-	8,475	8,475
Other current liabilities	-	28,100	28,100
Long-term loans from financial institutions, net	-	13,981,467	13,981,467
Debt securities, net	-	32,342,876	32,342,876
Long-term liabilities, net	-	482,527	482,527
Derivative liabilities	725,197	-	725,197
Other non-current liabilities	-	79,403	79,403
Total	725,197	53,545,743	54,270,940

The following table presents financial assets and liabilities measured at fair value, excluding where the fair value is approximately the same as the carrying amount.

As at 31 December	Consolidated financial statements						Separate financial statements					
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Assets												
Financial assets measured at FVPL	-	-	-	-	12,442,028	11,461,704	-	-	12,442,028	11,461,704	-	-
Debt securities	-	-	216	264	-	-	-	-	-	-	216	264
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Derivative assets	26,298	34,070	-	-	9,000	9,000	35,298	43,070	-	-	-	-
Foreign currency forward contracts	-	-	1,901,751	2,702,094	-	-	1,901,751	2,702,094	-	-	-	-
Cross-currency and interest rate swaps	-	-	1,101,447	1,608,382	-	-	1,101,447	1,608,382	-	-	-	-
Other derivatives	-	-	54,100	-	-	-	54,100	-	-	-	-	-
Total	26,298	34,070	3,057,514	4,310,740	12,451,028	11,470,704	15,554,840	15,815,514	26,298	34,070	15,554,840	15,815,514
Liabilities												
Derivatives	-	-	312,085	222,979	-	-	312,085	222,979	-	-	312,085	222,979
Bank overdrafts	-	-	-	-	-	-	-	-	-	-	-	-
Cross-currency and interest rate swaps	-	-	588,744	703,830	-	-	588,744	703,830	-	-	588,744	703,830
Interest rate swaps	-	-	90,063	94,866	-	-	90,063	94,866	-	-	90,063	94,866
Other derivatives	-	-	-	1,377	7,670	38,585	-	1,377	7,670	38,585	-	1,377
Total	-	-	990,892	1,022,652	7,670	38,585	988,562	1,062,237	-	-	988,562	1,062,237



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As at 31 December	Separate financial statements						Total	
	Level 1		Level 2		Level 3		Total	
	2019 Thousand Bath	2020 Thousand Bath	2019 Thousand Bath	2020 Thousand Bath	2019 Thousand Bath	2020 Thousand Bath	2019 Thousand Bath	2020 Thousand Bath
Assets								
Assets measured at FVOCI								
Equity instruments	-	-	-	-	9,000	9,000	9,000	9,000
Derivatives	-	-	-	-	-	-	-	-
Foreign currency	-	1,547,240	2,581,561	-	-	1,547,240	2,581,561	-
Forward contracts	-	-	-	-	-	-	-	-
Cross-currency and	-	1,101,447	1,608,382	-	-	1,101,447	1,608,382	-
Other derivatives	-	-	-	-	7,875	7,875	7,875	7,875
Total	-	2,648,687	4,189,943	-	16,875	2,665,818	4,206,818	-
Liabilities								
Derivatives	-	-	-	-	-	-	-	-
Foreign currency	-	174,255	21,367	-	-	174,255	21,367	-
Cross-currency and	-	588,744	703,830	-	-	588,744	703,830	-
Interest rate swaps	-	-	725,197	-	-	725,197	725,197	-
Total	-	-	762,999	-	-	762,999	725,197	-

There were no transfers between these levels during the year.

The fair value of financial instruments traded in the active market is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (over the counter) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Group's specific estimates. If all significant inputs required to assess the fair value of an instrument are observable, the instrument is included in level 2.

The Group's valuation techniques to measure fair value in level 3 are option-pricing models, the present value of future cash flows based on the forward exchange rates at the reporting date and the discounted cash flow analysis. The significant inputs are from both observable market data and unobservable market data, e.g. share prices and credit spread. There were no changes in valuation techniques during the year.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement.

Description	Fair value as at 31 December 2020		Fair value as at 31 December 2019		Valuation technique	Inputs		Relationship of unobservable inputs to fair value
	Thousand Bath	2019	Thousand Bath	2019		2020	2019	
	Thousand Bath	Thousand Bath	Thousand Bath	Thousand Bath		%	%	
Unlisted convertible preference units	12,369,491	11,461,704	-	-	Risk-adjusted discount rate	7.76	8.42	- A 1% increase in the risk-adjusted discount rate would result in a decrease in fair value by Bath 548,689 million (2019: Bath 583,70 million).
					Discount rate	p.a.	p.a.	- A 1% decrease in the risk-adjusted discount rate would result in an increase in fair value by Bath 578,74 million (2019: Bath 621,20 million).

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The Group set up a working team which performs the valuations required for financial reporting purposes, including level 3 fair values. They also involve a valuation specialist supporting valuation of financial assets and liabilities. This team reports directly to the CFO and the Board of Directors. The main level 3 inputs used by the Group are derived and evaluated as follows:

- Discount rates for financial assets and financial liabilities are determined using a Capital Asset Pricing Model (CAPM) to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments are specific to the counterparties.

The following table presents the changes in level 3 financial assets measured at FVPL:

	Consolidated financial statements Thousand Bath
Opening balance as at 1 January 2019	11,571,381
Fair value gain on financial assets measured at FVPL	710,619
Translation adjustment	(820,296)
Closing balance as at 31 December 2019	11,461,704
Additions	72,369
Fair value gain on financial assets measured at FVPL	991,946
Translation adjustment	(83,991)
Closing balance as at 31 December 2020	12,442,028
Fair value gains (losses) recognised in profit or loss attributable to assets held at the end of the reporting period (Note 45)	
For the year ended 31 December 2020	991,946
For the year ended 31 December 2019	710,619

There were no changes in valuation techniques during the year.

The Group's valuation processes

The Group's finance department includes a working team that values financial assets for financial reporting purposes, including Level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the Group Treasury Committee. Discussions of valuation processes and results are held between the CFO and the valuation team at least once every quarter, in line with the Group's quarterly reporting dates.

8 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

- (a) Impairment of goodwill and intangible asset with an indefinite useful life

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a certain period.

Cash flows beyond the forecasted period are extrapolated using the estimated growth rates stated in Note 20 and 21. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

**Thai Union Group Public Company Limited**
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- (b) Fair valuation of financial assets measured at fair value through profit of loss and derivatives

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 7.

- (c) Provision and contingent liabilities for litigation and claims

The Group exercises judgement in measuring and recognising provision and the exposures to contingent liabilities related to outstanding litigation and claims. Contingencies are recorded as provision when it is likely that liability has been incurred and the amount is reasonably estimable. Judgement is necessary in assessing the likelihood that the Group will incur a liability, and the quantum is possible range of the estimated settlement. Because of the inherent uncertainty, actual losses may be different from the originally estimated provision.

- (d) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 29.

9 Segment and revenue information

The Global Leadership Team (GLT) is the Group's chief operating decision maker. Management has determined the operating segments based on the information reviewed by the GLT for the purposes of allocating resources and assessing performance.

For management purposes, the Group organises business units based on its products and services and has three reportable segments.

- ambient seafood
- frozen and chilled seafood and related businesses
- pet food, value-added and other businesses

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. The Group measures segment performance based on a calculation of gross profit, which is consistent with the statement of income.

Transactions between operating segments are recorded in the same manner as transactions with third parties. These transactions have been eliminated in the consolidated financial statements. Details of revenue disaggregation are similar to revenue information that is disclosed in segment information.

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

The following tables present revenue and gross profit information relating to the Group's operating segments.

	Consolidated financial statements					
	Frozen and chilled seafood businesses		Pet food, value-added and other businesses		Total reportable segments	
	Ambient seafood businesses Thousand Baht	Thousand Baht	Pet food, value-added and other businesses Thousand Baht	Thousand Baht	Eliminations Thousand Baht	Total Thousand Baht
For the year ended 31 December 2020						
Total revenue	76,574,542	54,051,130	26,184,305	156,809,977	(24,407,541)	132,402,436
Less inter-segment	(13,890,721)	(4,445,788)	(6,111,032)	(24,407,541)	24,407,541	-
Revenue from external customers	62,723,821	49,605,342	20,073,273	132,402,436	-	132,402,436
Results						
Segment gross profit	13,210,770	4,794,754	5,369,016	23,374,540	43,083	23,417,623
Selling and administrative expenses						(15,596,251)
Operating profit (nd including other income)						7,821,372
Finance costs						(1,724,438)
Share of loss from investments						
accounted for using the equity method						(527,489)
Other income (expenses)						1,709,553
Profit before income tax						7,278,988
Income tax						(723,764)
Profit for the year from continuing operations						6,555,234
Loss for the year from discontinued operations						(46,222)
Profit for the year						6,509,012
Timing of revenue recognition						
At a point in time	62,723,821	49,605,342	20,073,273	132,402,436	-	132,402,436



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

For the year ended 31 December 2019	Consolidated financial statements					
	Frozen and chilled seafood businesses		Pet food, value-added and other businesses		Total reportable segments	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Total revenue	74,428,084	60,501,232	24,514,868	159,444,182	(33,168,935)	126,275,247
Less inter-segment	(19,207,134)	(8,077,269)	(5,894,532)	(33,168,935)	33,168,935	-
Revenue from external customers	55,220,950	52,423,963	18,630,334	126,275,247	-	126,275,247
Results						
Segment gross profit	10,807,834	5,390,790	4,022,629	20,221,253	(111,154)	20,110,099
Selling and administrative expenses						(16,265,523)
Operating profit (not including other income)						3,844,576
Finance costs						(2,055,567)
Share of profit from investments						591,288
accounted for using the equity method						2,047,740
Other income (expenses)						
Profit before income tax						4,428,037
Income tax						(157,837)
Profit for the year from continuing operations						4,270,100
Gain (loss) for the year from discontinued operation						
Profit for the year						(102,448)
Timing of revenue recognition						4,167,652
At a point in time						
	55,220,950	52,423,963	18,630,334	126,275,247	-	126,275,247
Geographic information						
Revenue from external customers is based on the location of the customers.						
For the years ended 31 December						
Revenue from external customers						
Thailand						13,303,814
US						14,575,267
Japan						55,442,956
Europe						49,998,393
Others						7,030,631
						38,361,388
						35,178,815
						18,263,647
						19,184,554
Total revenue from external customers						132,402,436
Major customer						
During the year ended 31 December 2020 and 2019, the Group had no customer with revenues of 10 percent or more of the Group's revenue.						

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

As at 31 December	Consolidated financial statements				Separate financial statements			
	2020		2019		2020		2019	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash on hand	12,000	3,947	710	873				
Current and savings accounts	6,274,407	1,184,981	5,245,334	158,380				
Fixed deposits due within three months	2	3,500,542	2	3,500,000				
Total cash and cash equivalents	6,286,409	4,689,470	5,246,046	3,659,253				
Less Bank overdrafts (Note 24)	(287,162)	(206,040)	(85,839)	(36,691)				
Total cash and cash equivalents per statement of cash flows	6,019,247	4,483,430	5,160,207	3,622,572				
The effective interest rate on fixed deposits due within three months was 0.75% per annum (2019: 0.01%-1.35% per annum).								
10 Cash and cash equivalents								
11 Trade and other receivables, net								
As at 31 December								
	2020	2019	2020	2019	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade receivables	11,594,621	12,845,052	2,876,591	3,616,262				
Less: Loss allowance for trade receivables	(272,436)	(312,907)	(5,325)	(35,416)				
Trade receivables, net	11,312,185	12,532,145	2,871,266	3,559,846				
Accrued interest income - related parties (Note 42)	2,504	14,684	702,653	414,343				
Accrued interest income - third parties	3,727	4,435	3,727	4,376				
Other receivables - related parties	4,004	7,028	198,090	149,059				
Other receivables - third parties	796,477	1,365,346	351	640				
Prepaid expenses	597,100	522,815	80,312	45,056				
Tax coupons	55,285	30,636	20,624	8,169				
Accrued income	111,488	66,270	2,021	23,962				
Advance payments	436,746	325,567	122,320	183,336				
Total trade and other receivables, net	13,319,536	14,988,928	4,002,364	4,398,797				
The average credit term of trade receivables third parties and related parties were 33 days and 53 days, respectively (2019: Average 39 days and 56 days, respectively).								
Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.								



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Trade receivables can be analysed by aging as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Trade receivables - third parties				
Not yet due	8,395,855	9,495,217	1,292,368	1,157,477
Up to 3 months	2,490,096	2,461,982	184,656	187,877
3 - 6 months	84,593	142,517	1,674	685
6 - 12 months	32,013	33,823	1,160	370
Over 12 months	189,997	219,979	3,012	34,178
Less: Loss allowance for trade receivables	11,192,154	12,374,520	1,495,870	1,380,787
	(271,007)	(280,894)	(5,309)	(36,936)
	10,921,147	12,113,628	1,480,561	1,343,851
Trade receivables - related parties (Note 42)				
Not yet due	342,296	250,064	1,318,118	1,525,507
Up to 3 months	18,398	124,651	72,576	638,397
3 - 6 months	30,783	20,150	26	26,304
6 - 12 months	-	43,983	1	30,300
Over 12 months	-	31,664	-	14,967
Less: Loss allowance for trade receivables	392,467	470,532	1,390,721	2,235,475
	(1,429)	(52,013)	(16)	(19,480)
	391,038	418,519	1,390,705	2,215,995
Trade receivables, net	11,312,185	12,532,145	2,871,266	3,559,846
The loss allowance for trade receivables can be reconciled as follows:				
For the years ended 31 December				
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
As at 1 January	(312,907)	(346,446)	(56,416)	(74,636)
Increase from business combinations	(7,375)	(3,860)	-	-
(Reversal of) loss allowance recognised in profit or loss	(12,488)	(37,823)	19,230	(11,734)
Receivables written off during the year as uncollectible	58,288	60,591	31,861	29,954
Reclassification	1,396	(2,382)	-	-
Translation adjustment	(350)	17,013	-	-
As at 31 December	(272,436)	(312,907)	(5,325)	(56,416)

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

12 Inventories, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Finished goods	22,086,073	21,901,849	1,689,487	2,384,424
Work in process	311,877	396,847	-	-
Raw materials	9,689,278	9,523,910	1,271,069	1,988,703
Ingredients and packaging	1,639,400	1,574,167	90,110	85,622
Goods in transit	5,758,679	4,172,416	461,322	643,513
Spare parts and supplies	592,149	521,108	20,369	16,597
Less: Allowance for net realisable value	39,786,456	38,090,297	3,532,357	5,099,849
	(1,240,259)	(1,216,893)	(61,328)	(74,092)
Total inventories, net	38,546,197	36,873,414	3,471,029	5,024,757
As at 31 December 2020, the Group has pledged certain inventories of Baht 678.53 million with financial institutions to secure its credit facilities (2019: Baht 549.92 million) (Note 24).				

13 Other current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Prepaid income tax	216,949	400,796	26,908	66,610
Value added tax refundable	517,582	419,061	9,791	13,416
Others	154,039	157,124	1,343	4,762
Total other current assets	888,550	976,981	38,042	84,788



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

14 Assets and liabilities classified as held-for-sale and discontinued operations

The Group's assets and liabilities of disposal groups classified as held-for-sale and discontinued operations comprised of a fishing fleet business in Ghana and a chilled salmon business in Scotland, as reported in the consolidated financial statements for the year ended 31 December 2020 and 2019. Financial information relating to the two groups is set out below.

As at 31 December	Consolidated financial statements	
	2020	2019
	Thousand Baht	Thousand Baht
Assets of disposal groups classified as held-for-sale from discontinued operations		
Fishing fleet business	4,115	4,787
Chilled salmon business	2,348	50,194
Total	6,463	54,981
Liabilities of disposal groups classified as held-for-sale from discontinued operations		
Fishing fleet business	17,750	18,408
Chilled salmon business	2,035	7,846
Total	19,785	26,256

Results of discontinued operations are as follows:

For the years ended 31 December	Consolidated financial statements	
	2020	2019
	Thousand Baht	Thousand Baht
Fishing fleet business	(22,323)	2,809
Chilled salmon business	(23,898)	(105,257)
Total	(46,222)	(102,448)

The cash flow information of the discontinued operation is as follows:

For the years ended 31 December	Consolidated financial statements	
	2020	2019
	Thousand Baht	Thousand Baht
Cash flows from operating activities	5,473	27,487
Cash flows from investing activities	34,778	19,208
Cash flows from financing activities	(19,596)	(60,039)
Net cash flows	20,655	(13,304)

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

15 Investments using cost method and investments accounted for using the equity method

Investments recognised in the statement of financial position are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Investments in subsidiaries, associates and joint ventures using cost method	-	-	31,408,217	31,185,524
Subsidiaries	-	-	788,757	788,757
Associates	-	-	959	959
Investments accounted for using the equity method	9,043,879	10,082,375	-	-
Associates	225,281	197,808	-	-
Joint ventures	-	-	-	-
Total investments	9,269,170	10,280,183	32,197,933	31,955,240

The amounts recognised in the statement of income and statement of comprehensive income are as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Share of profit (loss)				
Associates	(522,863)	581,678	-	-
Joint ventures	(4,606)	9,612	-	-
Total share of profit (loss) from investments accounted for using the equity method	(527,469)	591,288	-	-
Share of comprehensive income (expenses)				
Associates	(23,582)	(46,846)	-	-
Joint ventures	-	-	-	-
Total share of comprehensive income from investments accounted for using the equity method	(23,582)	(46,846)	-	-
15.1 Investments in subsidiaries				

The movements of investments in subsidiaries during the year are as follows:

For the years ended 31 December	Separate financial statements	
	2020	2019
	Thousand Baht	Thousand Baht
Opening net book value	31,185,524	30,546,928
Additions	58,617	532,787
Transfer from loans to a subsidiary	204,122	-
Transfer from a joint venture and an associate	-	85,809
Impairment loss	(20,046)	-
Closing net book value	31,408,217	31,185,524

In March 2020, the Company and Thai Union China Co., Ltd. entered into the Contribution Agreement for a contribution in kind of CNY 45 million, equivalent to Baht 204.12 million by converting a long-term loan receivable into an investment. Later, in April 2020, the subsidiary called for paid-up capital of USD 1.57 million, equivalent to Baht 51.66 million.

During the year, the Company established a wholly owned subsidiary, Thai Union South East Asia Pte. Ltd. (TUSEA). The total number of shares is 300,000 ordinary shares with a par value of SGD 1 per share. The subsidiary called for paid-up capital of SGD 300,000, equivalent to Baht 6.69 million.



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Companies under subsidiaries included in the preparation of the consolidated financial statements are:

Company's name	Nature of business	Country of incorporation	Percentage of interest	
			2020 %	2019 %
Held by subsidiaries Oceanos Food Co., Ltd. (100% held by Pakfood Plc.)	Manufacturer & distributor of frozen foods & aquatic animal	Thailand	99.74	99.74
Asian-Pacific Can Co., Ltd. (89% held by Songkla Canning Plc.)	Manufacturer & distributor of packaging for food products	Thailand	99.54	99.54
Yueh Cheung Canned Food Co., Ltd. (100% held by Songkla Canning Plc.)	Manufacturer & distributor of canned tuna and seafood	Vietnam	99.55	99.55
Thai Union Investments North America, LLC (TUNA) (100% held by TUNA)	Holding company	USA	100.00	100.00
Tai-Union Seafoods, LLC (Tai-U) (100% held by TUNA)	Manufacturer & distributor of canned tuna and seafood	USA	100.00	100.00
Tai-Union Frozen Products, Inc. (TUF-P) (100% held by TUNA)	Importer and distributor of frozen seafood	USA	100.00	100.00
US Pet Nutrition, LLC (USPN) (89% held by TUNA and 1% held by Tai-U)	Importer & distributor of premium pet food	USA	100.00	100.00
Tai-Union Frozen Products North America, LLC (TUF-PNA) (100% held by TUF-P)	Holding company (Liquidated in November 2020)	USA	-	100.00
Tai-Union Frozen Products Canada, ULC (100% held by TUF-P 2019, 100% held by TUF-PNA)	Technical service provider	Canada	100.00	100.00
Thai Union Europe (TUE) (100% held by TUES1)	Headquarters activity	France	100.00	100.00
MW Brands Seychelles Limited (MWBSL) (100% held by TUE)	Exporter of canned tuna	Seychelles	100.00	100.00
Tuna Logistics Services Limited (100% held by MWBSL)	Dormant company	Seychelles	100.00	100.00
Etablissements Paul Paulet SAS (EPP) (100% held by TUE)	Manufacturer, importer, distributor and exporter of canned seafood	France	100.00	100.00
European Seafood Investment Portugal (E-SIP) (100% held by TUE)	Manufacturer and exporter of canned sardines and mackerel	Portugal	100.00	100.00
Pioneer Food Cannery Limited (100% held by EPP)	Manufacturer of canned tuna	Ghana	100.00	100.00
Marabbi SRL (100% held by TUE)	Importer and distributor of canned seafood	Italy	100.00	100.00
UK Seafood Investments Limited (UKSI) (100% held by TUE)	Holding company	United Kingdom	100.00	100.00

Company's name	Nature of business	Country of incorporation	Registered share capital		Proportion of shares directly held by the Company	Proportion of shares non-controlling interests held by	Dividend received during the year
			2020	2019			
Thai Union Manufacturing Co., Ltd. (TUM)	Manufacturer and exporter of canned tuna and pet food	Thailand	Baht 300	Baht 300	95.66	0.34	1,943,359
Songkla Canning Plc.	Manufacturer and exporter of canned seafood	Thailand	Baht 360	Baht 360	95.55	0.45	824,304
Thai Union Seafood Co., Ltd.	Manufacturer and exporter of frozen shrimp	Thailand	Baht 300	Baht 300	51.00	49.00	45,900
EHS Training and Services	Providing training and management services	Thailand	Baht 70	Baht 820	66.90	33.10	672,035
Thai Union Feedmill Plc. (TFM)	Manufacturer and exporter of animal feeds	Thailand	Baht 40	Baht 40	95.00	2.00	14,700
Thai Union Graphic Co., Ltd. (TUG)	Printing manufacturer	Thailand	Baht 40	Baht 40	95.00	2.00	96,019
Thai Union North America, Inc. (TUNA)	Holding company	USA	USD 343.5	EUR 0.5	100.00	-	11,741,316
Thai Union Investment Holding Co., Ltd. (TUIH)	Holding company	Mauritius	EUR 0.5	EUR 0.5	100.00	-	20,046
Pakfood Plc.	Manufacturer and distributor of frozen foods & aquatic animal	Thailand	Baht 330	Baht 330	99.74	0.26	2,111,932
Thai Union China Co., Ltd. (TUC)	Distributor of food products	China	USD 96	USD 8	100.00	-	529,927
Thai Union China Ship Co., Ltd. (TUCS)	Shipping company	Luxembourg	EUR 212	EUR 1	100.00	-	10,495,231
Thai Union Asia Investment Holding Limited (TIAH)	Holding company	Hong Kong	USD 0.02	USD 0.02	100.00	-	626
TMAC Company Limited (TMC)	Distributor of shrimp	Thailand	Baht 1,130	Baht 1,130	100.00	-	142,090
Thai Union Ingredients Co., Ltd. (TUI)	Manufacturer and distributor of shrimp	Thailand	Baht 300	Baht 300	100.00	-	300,000
Thaimiter Seafood Retail Co., Ltd. (TSR)	Importer of seafood and ingredients product	Thailand	Baht 6	Baht 6	65.00	35.00	177,363
Thai Union South East Asia Pacific Consistency Services	Consistency services	Singapore	SGD 0.3	-	100.00	-	6,696
Total							31,408,217
							3,617,245

Details of investments in subsidiaries as at 31 December 2020 and 2019 are as follows:

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Company's name held by subsidiaries (continued)	Nature of business	Country of incorporation	Percentage of interest	
			2020 %	2019 %
Indian Ocean Tuna Limited (IOT) (60% held by TUE)	Manufacturer and exporter of canned tuna	Seychelles	60.00	60.00
John West Foods Limited (JWUK) (100% held by UKSI)	Importer and distributor of canned seafood	United Kingdom	100.00	100.00
Irish Seafood Investments Limited (ISIL) (100% held by TUE)	Importer and distributor of canned seafood	Ireland	100.00	100.00
John West Holland BV (100% held by ISIL)	Importer and distributor of canned seafood	Netherlands	100.00	100.00
TTV Limited (70% held by EPP)	Dormant company (Discontinued operation)	Ghana	70.00	70.00
Europenne De La Mer SAS (EDM) (100% held by TUE)	Holding company and distributor of salmon	France	100.00	100.00
Meralence Amortec SAS (100% held by EDM)	Manufacturer of smoked salmon	France	100.00	100.00
Insamum SCI (100% held by EDM)	Property rental	France	100.00	100.00
Meralence SAS (100% held by EDM)	Distributor of smoked salmon	France	100.00	100.00
Meralence Poland Sp. z o.o. (100% held by EDM)	Manufacturer of chilled salmon	Poland	100.00	100.00
Niaco Trading AS (100% held by EDM)	Distributor of salmon	Norway	100.00	100.00
The Edinburgh Salmon Company Ltd (ESCO) (100% held by EDM)	Dormant company (Discontinued operation)	Scotland	100.00	100.00
King Oscar AS (KON) (100% held by TUES1)	Manufacturer and distributor of canned seafood	Norway	100.00	100.00
King Oscar Inc. (100% held by KON)	Importer and distributor of canned seafood	USA	100.00	100.00
Norway Foods Europe NV (100% held by EPP)	Importer and distributor of canned seafood	Belgium	100.00	100.00
Thai Union Poland Sp. z o.o. (100% held by TUES1)	Manufacturer and distributor of canned seafood	Poland	100.00	100.00
Thai Union Germany GmbH- (TUGe) (100% held by TUES1)	Holding company	Germany	100.00	100.00
Thai Union Marine Nutrients GmbH (100% held by TUGe)	Tuna oil refinery	Germany	100.00	100.00

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Company's name	Nature of business	Country of incorporation	Percentage of interest	
			2020 %	2019 %
Held by subsidiaries (continued)				
Rügen Fisch AG (RUF) (51% held by TUGe)	Manufacturer and distributor of seafood	Germany	51.00	51.00
Hawesla-Frankost Hans Westphal GmbH & Co. KG (HAW) (100% held by RUF)	Manufacturer and distributor of seafood	Germany	51.00	51.00
Seafood Beteiligungs- und Verwaltungen GmbH (100% held by HAW)	Dormant company	Germany	51.00	51.00
Artur Hymann GmbH & Co. KG (HEY) (100% held by HAW)	Distributor of seafood	Germany	51.00	51.00
Weißer Frankost Günther Wehowsky GmbH (100% held by HEY)	Distributor of seafood (Merged with HEY in December 2020)	Germany	-	51.00
Meakrone Fisch-Frankost GmbH (100% held by RUF)	Property rental	Germany	51.00	51.00
Osisee Fisch Verwaltungen GmbH (100% held by RUF)	Dormant company	Germany	51.00	51.00
Osisee Fisch GmbH & Co. Produktions- und Vertriebs KG (100% held by RUF)	Manufacturer and distributor of seafood	Germany	51.00	51.00
Osisee Fisch Kneipings UAB (gAG) (100% held by RUF)	Manufacturer and distributor of seafood	Lithuania	51.00	51.00
Thai Union Canada Inc. (TUCa) (100% held by TUES1)	Manufacturer and distributor of seafood	Canada	100.00	100.00
C.H. Rich, Inc. (100% held by TUCa)	Reseller of seafood	Canada	100.00	100.00
Thai Union Trading Europe B.V. (100% held by TUES1)	Distributor of seafood	Netherlands	100.00	100.00
PT Thai Union Kharisma Lestari (TUKL) (65% held by TFM)	Manufacturer and distributor of animal feeds	Indonesia	43.49	43.49
Thai Union Hatchery Co. Ltd. (100% held by TMAC)	Shrimp breeding and hatchery and breeding improvement	Thailand	100.00	100.00
TCM Fishery Co. Ltd. (75% held by TMAC)	Shrimp farming	Thailand	75.00	75.00
TMK Farm Co. Ltd. (94.44% held by TMAC)	Shrimp farming	Thailand	94.44	94.44



As at 31 December		Thal Union Seafood Co., Ltd		Thal Union Feedmill Plc.		Rugen Fisch Group		Total	
		2020	2019	2020	2019	2020	2019	2020	2019
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current	Assets	1,189,200	1,360,982	1,044,802	1,001,648	1,933,563	1,470,235	4,167,565	3,832,865
	Liabilities	(824,163)	(983,928)	(885,229)	(953,715)	(1,577,831)	(1,126,977)	(3,287,323)	(3,064,820)
Total current net assets		365,037	377,054	159,273	47,933	355,932	343,258	880,242	768,245
Non-current	Assets	569,497	578,794	1,334,996	1,157,960	1,044,924	909,727	2,949,417	2,646,491
	Liabilities	(111,656)	(105,160)	(129,703)	(132,368)	(57,618)	(56,043)	(298,977)	(293,571)
Total non-current net assets		457,841	473,634	1,205,293	1,025,592	987,306	853,684	2,650,440	2,352,910
Net assets		822,878	850,688	1,364,566	1,073,525	1,343,238	1,196,942	3,530,682	3,121,155

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The information below is the amount before inter-company eliminations.

Thal Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2020				
Company's name	Nature of business	Country of incorporation	Percentage of interest	
			2020 %	2019 %
Held by subsidiaries (continued) Thamachart Seafood China Limited (TSC) (80% held by TSR and 10% held by TUAH)	Dormant company	Hong Kong	68.50	68.50
Thamachart Shanghai (100% held by TSC)	Dormant company	China	68.50	68.50
GGCOF RL Blocker, LLC (100% held by TUNA)	Holding company	USA	100.00	-
TUMD Luxembourg S a r l (80% held by TUES)	Holding company	Luxembourg	90.00	-
Delcomyda Limited Liability Company (DPR) (100% held by TUMD)	Manufactures and distributor of canned and frozen seafood	Russia	90.00	-
Torgovo-Promyshlenny Kompleks "Delcomyda" Limited Liability Company (TPK) (100% held by TUMD)	Trading company	Russia	90.00	-
Maguro Limited Liability Company (MGR) (100% held by TUMD)	Frozen fish trading activities	Russia	90.00	-
All subsidiaries undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Group do not differ from the proportion of ordinary shares held.				
During the year, PT Thai Union Kharisma Lestari (TUKL) called for paid-up capital, for 65% from TFM amounting to Rupiah 43,316 million or equivalent to Baht 97.09 million.				
In July 2020, the Group has an additional ownership interests in TUMD Luxembourg S a r l (TUMD) from 45% to 90%, which resulted in changing in an investment classification from an associate to a subsidiary of the Group.				
In December 2020, Welfina Feinkost Gurler Welschowsky GmbH was merged with Artur Heymann GmbH & Co KG. The merger was effectuated by means of the transfer of all assets and liabilities. There is no effect to the consolidated financial statements from the merger.				
Summarised financial information on subsidiaries with material non-controlling interests				
	Thai Union Seafood Co., Ltd.	Thai Union Feedmill Plc.	Rugen Fisch Group	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
For the year ended 31 December 2020				
Total non-controlling interests	396,765	377,278	1,950,850	2,724,893
Profit (loss) attributable to non-controlling interests for the year	(10,411)	137,470	23,183	150,242
Dividend paid to non-controlling interest during the year	7,350	40,710	14,777	62,837



Thal Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Business acquisition - TUMD

In July 2020, the Group acquired 45% equity stake in TUMD Luxembourg S.a.r.l (TUMD) from third party shareholders. This resulted in increase in investment in TUMD from 45% to 90%. The Group, therefore, has reclassified this investment from investment in an associate to investment in a subsidiary.

Due to step acquisition, the Group has fair valued the equity interest in TUMD held immediately before the acquisition. The difference between the fair valuation and the carrying amount would be recognised in the statement of income. As at 31 December 2020, the Company is under the process of determining fair value of the acquired net assets and reviewing purchase price allocation (PPA) from additional investment above. Therefore, the fair value of net assets acquired may be subject to further adjustments depending on the determination of fair value and the result of the PPA, which is expected to be finalised within 12 months from the date of additional acquisition.

	Thousand Baht
Carrying amount of an investment in TUMD under equity method at the acquisition date	405,579
Less from the fair valuation of the equity interest in TUMD at the acquisition date	(155,981)
Fair value of previously held interest that classified as the associate	249,598
Consideration paid at the acquisition date - Derivative liabilities	(34,374)
	215,544

Recognised amounts of identifiable assets acquired, and liabilities assumed

Other current assets	193,733
Property, plant and equipment, net	72,105
Other non-current assets	83,958
Short-term loans from	(2,165)
Other current liabilities	(113,673)
Long-term loans from	(259,220)
Other non-current liabilities	(11,990)
Total identifiable net assets	(37,252)

Equity of the Company (90%)	(33,527)
Goodwill	249,071

Net assets acquired from business acquisition

Had a subsidiary acquired in this year been consolidated from 1 January 2020, the consolidated statement of income would have shown revenue of Baht 537 million and net loss for the year of Baht 130 million.

Completion of business acquisitions incurred in 2019

In the second quarter of 2020, the Company completed measuring the fair value of identifiable assets acquired and liabilities assumed from the business acquisitions occurred in 2019. The fair valuation was not significantly different from what was previously reported in the financial statements for the year ended 31 December 2019. The Company has adjusted the fair value of assets acquired and goodwill during the year are summarised below.

	Thousand Baht
Goodwill	355,000
Goodwill - as previously reported	402,966
Adjustment of fair value	(47,966)
The details of adjustment of fair value are as follows:	
Increase in property, plant and equipment	13,025
Increase in intangible assets	46,200
Increase in deferred tax liabilities	(11,965)
Decrease in non-controlling interests	100
Decrease in goodwill	(47,966)

Summarised statements of comprehensive income and cash flows

	Thal Union Seafood Co., Ltd.	Thal Union Feedmill Plc.	Rugen Fisch Group	Total
For the year ended 31 December	Thousand Baht 2020	Thousand Baht 2020	Thousand Baht 2020	Thousand Baht 2020
Revenue	3,043,335	4,183,810	4,899,708	14,092,525
Profit (loss) before income tax	(20,912)	453,109	93,846	1,034,872
Income tax	3,710	(259)	(16,872)	(86,393)
Post-tax profit (loss) from continuing operation	(17,202)	414,040	76,974	948,479
Other comprehensive income (expenses)	4,391	515	(116,483)	(104,662)
Total comprehensive income (expenses)	(12,811)	414,040	562,623	843,817
Profit (loss) attributable to non-controlling interests	(10,411)	18,485	23,183	256,577
Dividends paid to non-controlling interests	7,350	44,100	36,020	412,585
Net cash receipts from operating activities	305,955	800,353	86,712	1,894,778
Net cash receipts from investing activities	(65,269)	(307,981)	(117,362)	(490,612)
Net cash receipts from financing activities	(240,254)	(769,532)	63,046	(437,770)
Net increase (decrease) in cash and cash equivalents	432	(2,494)	32,396	28,008
	7,062	(4,820)	8,134	7,062

Thal Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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15.2 Investments in associates

The movements of investments in associates during the year are as follows:

	Consolidated financial statements				Separate financial statements			
	2020		2019		2020		2019	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
For the years ended 31 December								
Opening net book value	10,082,375	10,766,530	788,757	835,523				
Additions	-	54,020	75,104	-				
Disposals, net	-	-	(52,884)	-			(1,010)	
Share of profit (loss)	(522,883)	581,878	-	-			-	
Share of comprehensive expenses	(23,592)	(46,846)	-	-			-	
Reclassification	-	-	6,584	-			-	
Gain (Loss) on fair value adjustment from								
- acquisition	(155,661)	-	45,752	-			-	
- disposals	(2,498)	(69,529)	-	-			(45,756)	
- investments in a subsidiary	(1,188,689)	(234,417)	-	-			-	
- investments in associates	(14,835)	(11,965)	-	-			-	
Dividends distribution tax	-	-	-	-			-	
Impairment of investment in an associate	-	(172,910)	-	-			-	
Translation adjustment	(6,928)	(789,191)	-	-			-	
Closing net book value	9,043,879	10,082,375	788,757	788,757			788,757	

Details of investments in associates are as follows:

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

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(4) The Group increased the shareholding in TUMD from 45% to 90% and reclassified this investment in a subsidiary units on a fully diluted basis. The Group continues to own 2,400,000 preferred units (representing 24.00% of the total outstanding units on a fully diluted basis). The Group common units. This allocation does not change the Group's investment interest in RL which remains at an effective economic interest 25% of common allocated an additional 1,040,000 common shares among the partner. As a result, GSCOF New, LLC has been and a reallocation of common share units among the partner. The Group's subsidiary. In addition, the Group has been the general partner of RL. This share transfer agreement with RL resulted in a restructure of shareholding (2) The Company has classified this investment in an associate because the Company's investment in the total voting rights are less than 50% of the total voting rights (3) The Group's total shareholding in Avanti Food's LLC is 24.21% (as at 31 December 2019: 24.21%)

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Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Set out below are the associates of the Group as at 31 December 2020, which, in the opinion of the Group's directors, are material to the Group.

Nature of investments in associates in 2020 and 2019:

Company's name	Country of incorporation	% of ownership interest		Nature of relationship	Measurement method
		2020	2019		
Avanti Feeds Limited	India	24.21	24.21	Note 1	Equity
Red Lobster Group	USA	25.00	25.00	Note 2	Equity

Note 1: Avanti Feeds Limited is a manufacturer of prawn feed, shrimp processor and exporter of its products globally. Avanti Feeds Limited is a strategic partnership of the Group in shrimp feed manufacturing and shrimp processing.

As at 31 December 2020, the fair value of the Group's interest in Avanti Feeds Limited, which was listed on the National Stock Exchange of India, was Baht 6,582.37 million (2019: Baht 7,806 million) and the carrying amount of the Group's interest was Baht 1,808.45 million (2019: Baht 1,410.54 million).

Note 2: Red Lobster is a seafood restaurant chain in the United States and has operations in many countries such as Canada, Malaysia and Japan. Red Lobster is a strategic partnership for the Group's growth in a food service business.

Commitments and contingent liabilities in relation to the Group's interests in the associate are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Contingent liabilities relating to financial guarantee contracts	613,650	633,000	613,650	633,000
Shareholding percentage	24.21%	24.21%	15.43%	15.43%
Contingent liabilities (relating to the Group's interests in the associates)	148,565	153,249	94,686	97,672

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Summarised financial information for associates:

Set out below are the summarised financial information for companies which are accounted for using the equity method.

Summarised statements of financial position as at 31 December

Assets	Avanti Feeds Limited		Red Lobster Group		Total
	2020	2019	2020	2019	
Current assets	7,906,400	6,569,004	10,029,388	13,694,499	20,262,503
Non-current assets	1,960,468	1,913,707	65,579,346	59,509,019	67,392,053
Total assets	9,266,868	8,381,711	68,177,939	79,272,845	87,654,556
Liabilities	(1,422,522)	(1,498,647)	(18,174,735)	(10,222,514)	(11,721,161)
Current liabilities	(92,733)	(110,069)	(55,697,036)	(70,240,819)	(70,350,887)
Non-current liabilities	(1,515,255)	(1,608,716)	(73,871,771)	(80,463,332)	(82,072,049)
Total liabilities	(1,515,255)	(1,608,716)	(73,871,771)	(80,463,332)	(82,072,049)
Net assets	7,751,613	6,772,995	(5,693,832)	(1,190,487)	5,582,508
Less Non-controlling interest of associates	(932,185)	(756,952)	-	-	(756,952)
Elimination entries	(183,962)	(189,762)	-	-	(189,762)
Net assets	6,635,466	5,826,281	(5,693,832)	(1,190,487)	4,635,794

Thai Union Group Public Company Limited
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Individually immaterial associates

in addition to the interest in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted using the equity method.

	2020	2019
	Thousand Baht	Thousand Baht
As at 31 December		
Aggregate carrying amount of individually immaterial associates	2,308,755	2,436,521
For the years ended 31 December		
Aggregate amounts of the Group's share of:		
Profit for the year from continuing operations	331,416	313,820
Other comprehensive expenses for the year	(21,052)	-
Total comprehensive income for the year	310,364	313,820

15.3 Investments in joint ventures

The movements of investments in joint ventures during the year are as follows:

	Consolidated			Separate		
	financial statements			financial statements		
For the years ended 31 December	2020	2019	2019	2020	2019	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Operating net book value	197,808	325,030	959	31,600		
Additions	-	20,372	-			
Share of profit (loss)	(4,606)	9,612	-			
Transfer to investment in subsidiaries	-	(176,646)	-			
Transfer from investments in subsidiaries	-	(13,781)	-			
Reclassification	32,689	21,163	959			
Translation adjustment	(5,500)	12,060	-			
Closing net book value	225,291	197,808	959			

In October 2020, the Group entered into an agreement to establish a new joint venture, Food and Beverage United Co., Ltd. The total number of shares is 1,000,000 shares with a par value of Baht 10 per share. The joint venture called for paid-up capital is Baht 4.90 million.

2020	2019	2020	2019	2020	2019	2020	2019
Arvind Fashions Limited	Thousand Bant	Thousand Bant	Thousand Bant	Red Lobster Group	Thousand Bant	Thousand Bant	Thousand Bant
1,606,446	1,410,543	5,128,678	6,235,311	6,725,124	7,045,854	1,606,446	1,410,543
-	-	-	-	-	-	-	-
1,606,446	1,410,543	(1,423,459)	(6,532,933)	(182,988)	(6,532,933)	1,606,446	1,410,543
24.21%	24.21%	25.00%	25.00%	25.00%	25.00%	24.21%	24.21%
6,635,466	5,826,281	(5,663,832)	(1,190,487)	941,634	4,635,794	6,635,466	5,826,281
(312,534)	(404,073)	254,951	22,468	(57,583)	(381,605)	(312,534)	(404,073)
(382,378)	(289,937)	382,378	(187,384)	(362,278)	(184,671)	(382,378)	(289,937)
1,484,097	1,563,771	(4,748,138)	(3,264,041)	4,635,794	4,489,949	1,484,097	1,563,771
4,956,420	1,190,487	(456,471)	4,635,794	4,489,949	4,956,420	4,956,420	1,190,487

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For the years ended 31 December	
Opening net assets as at 1 January	1,000
Profit (loss) for the year	200
Other comprehensive expenses for the year	100
Dividends	(50)
Exchange differences on transaction	(20)
Closing net assets as at 31 December	1,230
Shareholding percentage	100%
Interest in associates	0
Goodwill	0
Transaction cost for restructuring of shareholding	0
Carrying value	1,230

Reconciliation of summarised financial information

policies between the Group and the associates.

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Summarised statements of comprehensive income for the years ended 31 December

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Details of investments in joint ventures are as follows:

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2020 %	2019 %	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Investment in joint ventures, directly held by the Company								
Saenmai International Co., Ltd. (Joint venture of TU and other company in the portion of 50.50)	Distributor of food products	United Arab Emirates	50.00	50.00	959	959	-	-
Investment in joint ventures, directly held by subsidiaries								
Morabai International Holding in the portion of 33.22	Holding in the portion of 33.22	British Virgin Islands	33.22	33.22	170,655	170,655	134,913	123,475
other company in the portion of 41.00	Holding company	Cayman Islands	41.00	41.00	59,150	59,150	63,352	53,488
Agrii Svalbard in the portion of 41.59	Manufacturer of food and beverage	Iceland	-	-	20,372	20,372	22,126	20,835
United Co., Ltd. and another party in the portion of 48.51	Manufacturer and distributor of food and beverage products	Thailand	48.00	-	4,900	-	4,900	-
					296,036		251,136	
Total							407,808	

(1) This investment represents bans to this entity. The Group has classified this investment as an investment in a joint venture because the Group has 50% of the total voting rights.

As at 31 December 2020, the Group's directors considered that there is no joint venture that is material to the Group.

There are no commitments and contingent liabilities relating to the Group's interests in the joint ventures.

Individually immaterial joint ventures

The Group has interests in a number of individual immaterial joint ventures that are accounted for using the equity method.

Consolidated financial statements	
2020	2019
Thousand Baht	Thousand Baht

As at 31 December

Aggregate carrying amount of individually immaterial associates	225,291	197,808
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For the years ended 31 December

Aggregate amounts of the Group's share of:		
Profit (Loss) for the year from continuing operations	(4,606)	9,612
Other comprehensive income (expense) for the year	-	-
Total comprehensive income (expenses) for the year	(4,606)	9,612

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

16 Financial assets measured at fair value

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets measured at FVPL	12,442,244	11,481,968	-	-
Financial assets measured at FVOCI	35,298	43,070	9,000	9,000
Total financial assets measured at fair value	12,477,542	11,525,038	9,000	9,000

17 Investment property

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening net book amount	63,636	-	442,288	-
Additions	-	-	-	442,288
Reclassification	4,204	63,636	-	-
Closing net book amount	67,840	63,636	442,288	442,288
Fair value	195,821	184,475	441,320	441,320

The fair value of investment property is based on market approach of by considering the sales of similar substitute properties and related market data. The fair values are within level 2 of the fair value hierarchy.

Amounts recognised in profit and loss that are related to investment property are rental income from a related party of Baht 3 million a year (2019: Baht 3 million), which is eliminated from the consolidated financial statements.

The Group has investment property, which is land. The Group has no direct operating expenses arising from investment property.



Thai Union Group Public Company Limited
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18 Property, plant and equipment, net

	Consolidated financial statements					
	Land and land improvement	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January 2019						
Cost	2,637,993	16,190,311	27,922,199	1,386,751	924,382	3,276,486
Less: Accumulated depreciation	(48,990)	(6,857,095)	(17,584,771)	(955,089)	(591,515)	-
Allowance for impairment	(259)	(6,440)	(22,402)	-	-	-
Net book amount	2,588,744	9,326,776	10,315,026	431,662	332,867	3,276,486
For the year ended 31 December 2019						
Opening net book amount	2,588,744	9,326,776	10,315,026	431,662	332,867	3,276,486
Increase from business combinations	194,622	154,604	46,025	16,343	977	5,648
Additions	209,489	68,642	332,943	72,309	13,014	3,387,819
Disposals, net book value	-	(18,507)	(124,517)	(2,178)	(9,990)	(10,429)
Write-off, net book value	-	(3,861)	(3,577)	(2,159)	(283)	(1,179)
Reclassification	(63,234)	64,695	(67,157)	(22,646)	-	(304,911)
Transfer in (out)	9,574	1,064,457	2,189,404	82,826	57,819	(3,414,080)
Depreciation charge	(6,552)	(785,659)	(1,911,592)	(147,284)	(89,761)	-
Impairment loss	-	(130,135)	(541,361)	(1,061)	-	-
Translation adjustment	(24,480)	(263,344)	(284,577)	(13,502)	(3,015)	(91,865)
Closing net book amount	2,908,163	9,477,668	9,950,617	424,310	301,628	2,847,489
As at 31 December 2019						
Cost	3,052,708	17,229,770	28,686,557	1,311,173	901,411	2,847,489
Less: Accumulated depreciation	(83,326)	(7,615,702)	(18,183,457)	(885,703)	(599,740)	-
Allowance for impairment	(61,219)	(136,400)	(552,483)	(1,160)	(43)	-
Net book amount	2,908,163	9,477,668	9,950,617	424,310	301,628	2,847,489

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	Consolidated financial statements					
	Land and land improvement	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January 2020						
Cost	3,052,708	17,229,770	28,686,557	1,311,173	901,411	2,847,489
Less: Accumulated depreciation	(83,326)	(7,615,702)	(18,183,457)	(885,703)	(599,740)	-
Allowance for impairment	(61,219)	(136,400)	(552,483)	(1,160)	(43)	-
Net book amount	2,908,163	9,477,668	9,950,617	424,310	301,628	2,847,489
For the year ended 31 December 2020						
Opening net book amount	2,908,163	9,477,668	9,950,617	424,310	301,628	2,847,489
Increase from business combinations (Note 15.1)	14,737	47,987	21,643	846	517	-
Additions	373,648	41,958	378,279	120,311	24,392	2,746,783
Disposals, net book value	(8,345)	(3,337)	(72,434)	(1,267)	(15,163)	(23,030)
Write-off, net book value	-	(32,800)	(39,798)	(6,122)	(1,155)	(787)
Reclassification	22,771	16,450	12,467	(2,450)	992	(55,530)
Transfer in (out)	8,745	1,014,773	2,161,059	140,694	86,632	(3,411,903)
Depreciation charge	(6,411)	(822,764)	(2,007,073)	(160,616)	(95,852)	-
Impairment loss	-	(46,901)	(12,761)	-	-	-
Translation adjustment	11,155	138,879	120,681	12,175	2,436	86,539
Closing net book amount	3,324,463	9,831,913	10,512,680	527,881	304,427	2,189,561
As at 31 December 2020						
Cost	3,475,580	18,646,228	31,038,078	1,510,703	890,423	2,189,561
Less: Accumulated depreciation	(89,898)	(8,618,876)	(19,914,894)	(981,562)	(585,953)	-
Allowance for impairment	(61,219)	(195,439)	(601,504)	(1,260)	(43)	-
Net book amount	3,324,463	9,831,913	10,512,680	527,881	304,427	2,189,561



Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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	Separate financial statements						
	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht	Total Thousand Baht
As at 1 January 2019							
Cost	889,610	3,195,429	3,792,505	257,660	166,863	253,875	8,555,942
Less: Accumulated depreciation	-	(1,239,866)	(2,449,107)	(158,506)	(104,772)	-	(3,952,251)
Net book amount	889,610	1,955,563	1,343,398	99,154	62,091	253,875	4,603,691
For the year ended 31 December 2019							
Opening net book amount	889,610	1,955,563	1,343,398	99,154	62,091	253,875	4,603,691
Additions	-	2,590	31,306	25,085	2,240	430,659	491,880
Disposals, net book value	-	-	(30,080)	(70)	(4,730)	-	(34,880)
Write-off, net book value	-	-	(141)	(31)	(2)	-	(174)
Reclassification	-	-	(100)	-	-	1,549	1,449
Transfer in (out)	-	129,250	177,461	10,633	4,347	(321,691)	-
Depreciation charge	-	(153,885)	(266,654)	(36,688)	(17,357)	-	(474,584)
Closing net book amount	889,610	1,933,518	1,255,190	98,083	46,589	364,392	4,587,382
As at 31 December 2019							
Cost	889,610	3,327,269	3,793,249	248,829	155,423	364,392	8,776,772
Less: Accumulated depreciation	-	(1,393,751)	(2,538,059)	(148,746)	(108,834)	-	(4,189,390)
Net book amount	889,610	1,933,518	1,255,190	98,083	46,589	364,392	4,587,382

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	Separate financial statements						
	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht	Total Thousand Baht
As at 1 January 2020							
Cost	889,610	3,327,269	3,793,249	246,829	155,423	364,392	8,776,772
Less Accumulated depreciation	-	(1,393,751)	(2,538,059)	(148,746)	(108,834)	-	(4,189,390)
Net book amount	889,610	1,933,518	1,255,190	98,083	46,589	364,392	4,587,382
For the year ended 31 December 2020							
Opening net book amount	889,610	1,933,518	1,255,190	98,083	46,589	364,392	4,587,382
Additions	-	1,217	26,428	18,197	5,469	206,806	258,117
Disposals, net book value	(1,856)	-	(6,207)	(91)	(2,582)	(2,017)	(12,753)
Write-off, net book value	-	(189)	(8)	(482)	-	(725)	(1,404)
Reclassification	-	-	-	20	-	(214)	(194)
Transfer in (out)	-	242,761	238,904	31,014	15,098	(527,777)	-
Depreciation charge	-	(172,951)	(277,927)	(42,847)	(18,313)	-	(512,038)
Closing net book amount	887,754	2,004,356	1,236,380	103,894	46,261	40,465	4,319,110
As at 31 December 2020							
Cost	887,754	3,564,303	3,880,383	288,553	160,823	40,465	8,822,281
Less Accumulated depreciation	-	(1,559,947)	(2,644,003)	(184,659)	(114,562)	-	(4,503,171)
Net book amount	887,754	2,004,356	1,236,380	103,894	46,261	40,465	4,319,110

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Depreciation is presented in the statement of income as follows:

For the years ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Cost of sales	2,808,612	2,695,214	442,731	424,109
Selling expenses	11,518	3,570	1,230	353
Administrative expenses	272,586	249,064	68,077	50,122
Total depreciation expenses	3,092,716	2,940,848	512,038	474,584

As at 31 December 2020, property, plant and equipment of an overseas subsidiary totalling Baht 170.31 million (2019: Baht 366.64 million) were pledged with financial institutions to secure their credit facilities and long-term loans from financial institutions (Note 26).

19 Right-of-use assets, net and Lease liabilities, net

The statement of financial position included the following transactions relating to leases.

As at 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Right-of-use assets, net				
Land and land improvements, net	210,971	255,516	-	-
Building and building improvements, net	730,386	806,168	296,988	337,120
Machinery and equipment, net	306,454	336,139	98,286	102,817
Furniture, fixtures and office equipment, net	4,191	13,571	519	5,989
Vehicles, net	87,022	115,063	23,006	40,142
Total right-of-use assets, net	1,339,024	1,526,477	418,799	486,069
Lease liabilities, net				
Current	414,227	386,904	96,701	113,164
Non-current	787,091	962,639	332,967	379,663
Total lease liabilities, net	1,201,318	1,349,443	429,568	492,827

During 2020, the additions and remeasurement to the right-of-use assets of the Group and the Company were Baht 290 million and Baht 53 million, respectively (2019: Baht 236 million and Baht 22 million, respectively). Total cash outflows for leases of the Group and the Company were Baht 514 million and Baht 137 million, respectively (2019: Baht 469 million and Baht 134 million, respectively).

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

The statement of income included following transactions related to leases are as follows:

For the years ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Depreciation charge of right-of-use assets				
Land and land improvements	26,671	26,768	-	-
Building and building improvements	269,602	245,672	76,562	79,564
Machinery and equipment	113,342	94,204	20,821	18,701
Furniture, fixtures and office equipment	9,678	13,096	5,470	5,470
Vehicles	63,276	62,482	17,135	17,950
Total depreciation charge of right-of-use assets	482,569	442,222	119,988	121,685
Finance cost relating to leases	67,466	73,273	20,983	23,300
Expenses relating to short-term leases (including in cost of sales and administrative expenses)	80,218	113,853	12,994	11,014
Expenses relating to leases of low value assets that are not shown above as short-term leases (including in cost of sales and administrative expenses)	12,640	16,808	3,378	8,471



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20 Intangible assets, net

	Consolidated financial statements									
	Licenses Thousand Baht	Trademarks Thousand Baht	Customer relationships Thousand Baht	Computer software Thousand Baht	Distributor relationships Thousand Baht	Product and process development Thousand Baht	Others Thousand Baht	Computer software in progress Thousand Baht	Product development in progress Thousand Baht	Total Thousand Baht
As at 1 January 2019										
Cost	261,065	14,079,793	1,181,144	1,703,627	36,919	-	38,373	964,186	196,237	18,461,344
Less: Accumulated amortisation	(108,085)	(304,504)	(428,125)	(1,115,946)	(18,340)	-	(33,579)	-	-	(2,008,579)
Allowance for impairment	-	(169,828)	-	-	-	-	-	-	(10,386)	(180,214)
Net book amount	152,980	13,605,461	753,019	587,681	18,579	-	4,794	964,186	185,851	16,272,551
For the year ended 31 December 2019										
Opening net book amount	152,980	13,605,461	753,019	587,681	18,579	-	4,794	964,186	185,851	16,272,551
Increase from business combinations	-	-	-	1,896	-	-	-	-	-	1,896
Additions	1,024	563	-	17,595	-	-	301	492,216	30,665	542,364
Disposals, net book value	-	-	-	(14)	-	-	-	-	-	(14)
Write-off, net book value	-	-	-	(20)	-	-	-	(648)	-	(668)
Reclassification	(270)	-	-	304,147	-	-	(1,545)	(812)	-	301,520
Transfer in (out)	-	-	-	958,402	-	177,933	-	(958,402)	(177,933)	-
Amortisation charge	(5,621)	(1,067)	(55,418)	(232,657)	(7,250)	(4,716)	(1,080)	-	-	(307,809)
Impairment loss	-	(1,561)	607	-	-	-	-	-	-	(954)
Translation adjustment	(6,054)	(1,212,356)	(66,359)	(11,319)	(496)	-	(375)	(53)	-	(1,297,012)
Closing net book amount	142,059	12,391,040	631,849	1,625,711	10,833	173,217	2,095	496,487	38,583	15,511,874
As at 31 December 2019										
Cost	249,756	12,832,054	1,077,431	2,839,006	35,725	177,933	31,620	496,487	48,969	17,788,981
Less: Accumulated amortisation	(107,697)	(285,131)	(445,582)	(1,213,295)	(24,892)	(4,716)	(29,525)	-	-	(2,110,838)
Allowance for impairment	-	(155,883)	-	-	-	-	-	-	(10,386)	(166,269)
Net book amount	142,059	12,391,040	631,849	1,625,711	10,833	173,217	2,095	496,487	38,583	15,511,874

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	Consolidated financial statements									
	Licenses Thousand Baht	Trademarks Thousand Baht	Customer relationships Thousand Baht	Computer software Thousand Baht	Distributor relationships Thousand Baht	Product and process development Thousand Baht	Others Thousand Baht	Computer software in progress Thousand Baht	Product development in progress Thousand Baht	Total Thousand Baht
As at 1 January 2020										
Cost	249,756	12,832,054	1,077,431	2,839,006	35,725	177,933	31,620	496,487	48,969	17,788,981
Less Accumulated amortisation	(107,697)	(285,131)	(445,582)	(1,213,295)	(24,892)	(4,716)	(29,525)	-	-	(2,110,838)
Allowance for impairment	-	(155,883)	-	-	-	-	-	-	(10,386)	(166,269)
Net book amount	142,059	12,391,040	631,849	1,625,711	10,833	173,217	2,095	496,487	38,583	15,511,874
For the year ended 31 December 2020										
Opening net book amount	142,059	12,391,040	631,849	1,625,711	10,833	173,217	2,095	496,487	38,583	15,511,874
Increase from business combinations (Note 15.1)	1,321	9,622	-	510	36,400	-	341	-	-	48,194
Additions	1,278	448	-	27,463	-	-	222	108,666	15,649	153,726
Disposals, net book value	(4,727)	-	-	(2)	-	-	-	(3,220)	-	(7,949)
Write-off, net book value	(176)	-	-	(87)	(4,358)	-	-	-	-	(4,621)
Reclassification	-	-	-	22,673	-	-	(946)	21,243	-	42,970
Transfer in (out)	-	-	-	510,044	-	-	-	(510,044)	-	-
Amortisation charge	(5,906)	(1,496)	(56,142)	(289,864)	(10,568)	(16,060)	(154)	-	-	(380,190)
Impairment loss	-	29,696	-	-	-	-	-	-	-	29,696
Translation adjustment	4,153	1,050,516	54,325	32,605	151	-	103	(110)	-	1,141,743
Closing net book amount	138,002	13,479,826	630,032	1,929,053	32,458	157,157	1,661	113,022	54,232	16,535,443
As at 31 December 2020										
Cost	251,263	13,906,666	1,159,250	3,489,368	36,400	177,933	28,615	113,022	64,618	19,227,135
Less Accumulated amortisation	(113,261)	(233,444)	(529,218)	(1,560,315)	(3,942)	(20,776)	(26,954)	-	-	(2,487,910)
Allowance for impairment	-	(193,396)	-	-	-	-	-	-	(10,386)	(203,782)
Net book amount	138,002	13,479,826	630,032	1,929,053	32,458	157,157	1,661	113,022	54,232	16,535,443



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

	Separate financial statements			
	Trademarks Thousand Baht	Computer software Thousand Baht	Product development in progress Thousand Baht	Product development Thousand Baht
As at 1 January 2019				
Cost	55,437	459,895	-	185,237
Less: Accumulated amortisation	-	(107,240)	-	(107,240)
Less: Allowance for impairment	-	-	-	(10,386)
Net book amount	55,437	352,655	-	185,851
For the year ended 31 December 2019				
Opening net book amount	55,437	352,655	-	185,851
Additions	-	2,868	-	30,665
Write-off, net book value	-	(17)	-	-
Reclassification	-	(1549)	-	-
Transfer in (out)	-	948,795	177,933	(177,933)
Amortisation charge	-	(144,389)	(4,716)	-
Closing net book amount	55,437	1,159,917	173,217	38,583
As at 31 December 2019				
Cost	55,437	1,409,927	177,933	48,569
Less: Accumulated amortisation	-	(250,010)	-	(254,726)
Less: Allowance for impairment	-	-	(4,716)	(10,386)
Net book amount	55,437	1,159,917	173,217	38,583
For the year ended 31 December 2020				
Opening net book amount	55,437	1,159,917	173,217	38,583
Additions	-	237	-	15,649
Write-off, net book value	-	(23)	-	(23)
Reclassification	-	714	-	134
Transfer in (out)	-	471,120	-	-
Amortisation charge	-	(184,589)	(16,060)	-
Closing net book amount	55,437	1,446,866	157,157	54,232
As at 31 December 2020				
Cost	55,437	1,680,075	177,933	64,616
Less: Accumulated amortisation	-	(433,209)	(20,776)	(153,385)
Less: Allowance for impairment	-	-	-	(10,386)
Net book amount	55,437	1,446,866	157,157	54,232

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

Computer software and product development in progress include internally generated capitalised development costs and other costs.

Amortisation is presented in the statement of income as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Cost of sales	25,813	16,240	-	-
Selling expenses	62,170	60,426	9	8
Administrative expenses	292,207	231,143	200,659	149,087
Total amortisation expenses	380,190	307,809	200,659	149,105
As at 31 December 2020 and 2019, the Group had no intangible assets pledged for credit facilities.				

Impairment tests for trademarks

The Group's trademarks result from business combinations. Considering their long track record of stability, durability and the intention of the management, the trademarks have an indefinite useful life thus not amortised.

The recoverable amounts of trademarks have been determined based on fair value which is mainly derived from the relief-from-royalty method and value-in-use method. The relief-from-royalty method consists, in applying to the brand revenues, a royalty rate determined by a qualitative and quantitative analysis of the positioning of the brands in the market. The value-in-use method is determined by discounting future cash flow.

For each of the brand with significant carrying amount using relief-from-royalty, the key assumptions are royalty rate and discount rate use in the calculation are as follow:

Brand	John West	Petit Navire	King Oscar	Rugen Fisch
Royalty rate	3.0% - 5.0%	12.0%	5.0%	3.0%
Discount rate	7.8% - 10.8%	7.1%	6.9%	6.2%

For the brand using value-in-use calculation, the key assumptions are growth rate and discount rate use in the calculation are as follow:

Brand	Growth rate	Discount rate
Chicken of the Sea	1.5%	7.1%



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

21 Goodwill, net

As at 1 January 2019

Cost
Less: Allowance for impairment

Net book amount

For the year ended 31 December 2019

Opening net book amount
Increase from business combinations
Translation adjustment

Closing net book amount

As at 31 December 2019

Cost
Less: Allowance for impairment

Net book amount

For the year ended 31 December 2020

Opening net book amount
Increase from business combinations (Note 15.1)
Write-off net book value
Translation adjustment

Closing net book amount

As at 31 December 2020

Cost
Less: Allowance for impairment

Net book amount

During the year, there was a fire at the lobster processing plant in Canada. The Group has decided to stop operation of this plant and write off the carrying amount of distributor relationships of Baht 4 million and goodwill from the business combination of Thai Union Canada Inc. of Baht 177 million.

In addition, there were impairment losses of building of Baht 47 million and deferred tax assets of Baht 17 million, totalling of Baht 64 million. Such losses are included in administrative expenses in the statement of income.

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Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. The Group management review the business performance based on geography and type of business.

A segment-level summary of the goodwill allocation is presented below.

	Consolidated financial statements			
	Frozen and chilled seafood and related business		Pet food, value-added and other business	
	Thousand Baht	Thousand Baht	Thousand Baht	Total Thousand Baht
As at 31 December 2019				
Asia	42,358	402,966	-	445,324
Europe	10,983,197	475,473	-	11,458,670
US	30,216	453,273	-	483,489
Goodwill allocation	11,055,771	1,331,712	-	12,387,483
As at 31 December 2020				
Asia	42,358	355,000	-	397,358
Europe	12,188,304	519,809	-	12,708,113
US	30,098	278,749	-	308,847
Goodwill allocation	12,260,760	1,153,558	-	13,414,318

These calculations use cash flow projections before income taxes, based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

In frozen and chilled seafood and related business in Thailand, the recoverable amount calculated based on value in use exceed carrying value by Baht 29.5 million. A fall in growth rate of 1% or an increase in discount rate of 0.5% would remove the remaining headroom.

For each of the CGUs with significant amount of goodwill, the key assumptions used in the value-in-use calculations are as follows.

	Asia - Frozen and chilled seafood and related business	Europe - Ambient seafood business	Europe - Frozen and chilled seafood and related business	US - Frozen and chilled seafood and related business
Long term growth rate	0% - 1%	1.5%	1.5%	2.5%
Discount rate	7.8%	6.2%	6.1%	7.1%

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined the growth rates to be consistent with the forecasts in the industry. The discount rates used are pre-tax and reflect specific risks relating to the relevant segment.



Thailand Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

22 Deferred income taxes

Deferred tax assets and liabilities are detailed as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	1,047,751	564,270	529	-
Deferred tax assets to be recovered after 12 months	1,699,021	1,957,734	97,437	51,549
Total deferred tax assets	2,746,772	2,522,004	97,966	51,549
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(153,091)	(159,228)	-	-
Deferred tax liabilities to be settled after 12 months	(4,948,523)	(4,394,573)	(55,140)	(19,263)
Total deferred tax liabilities	(5,101,614)	(4,553,801)	(55,140)	(19,263)
Deferred tax assets (liabilities), net	(2,354,842)	(2,031,797)	42,826	33,286
The reconciliation of deferred tax assets and liabilities in the statements of financial position is as follows:				
As at 31 December	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Deferred tax assets, net	2,056,789	1,869,521	42,826	33,286
Deferred tax liabilities, net	(4,411,631)	(4,000,318)	-	-
Deferred tax assets (liabilities), net	(2,354,842)	(2,031,797)	42,826	33,286
The gross movement of deferred income taxes is as follows:				
	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
As at 1 January	(2,031,797)	(2,638,036)	33,286	48,495
Increase from business combinations (Note 15.1)	54,615	(3,160)	-	-
Credited/(Charged) to profit or loss	29,087	357,899	14,573	(19,852)
Credited/(Charged) to other comprehensive income	(5,527)	62,998	(5,033)	4,673
Reclassification	(134,060)	-	-	-
Translation adjustment	(267,170)	188,512	-	-
As at 31 December	(2,354,842)	(2,031,797)	42,826	33,286

The gross movement of deferred income taxes is as follows:

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The movement in deferred tax assets and liabilities during the year is as follows:

As at 1 January 2019	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Deferred tax assets				
Loss allowance for trade receivables	40,163	(16,725)	-	-
Allowance for net realisable value of inventories and inventory costs	27,495	(55,645)	-	-
Allowance for impairment and depreciation of property, plant and equipment	215,782	(75,773)	-	-
Derivative contracts	42,179	(9,193)	61,903	-
Investment in associates	151,081	78,775	-	-
Assets under lease liabilities	962	17,935	-	-
Employer benefit obligations	13,949	31,347	(7,559)	-
Provisions and liabilities	83,949	363,286	-	-
Tax loss carried forward	960,498	95,827	-	-
Others	52,510	(17,949)	-	-
Total	2,170,108	484,877	54,344	1,213
Deferred tax liabilities				
Depreciation of property, plant and equipment	(387,949)	(8,892)	-	-
Amortisation of intangible assets	(3,921,589)	16,459	-	-
Derivative contracts	(2,911)	(7,169)	(22,968)	-
Investment in associates	(301,169)	(170,479)	31,022	-
Leases liabilities	(13,479)	(18,469)	-	-
Inventory costs	(130,544)	13,584	-	-
Others	(50,303)	47,977	-	-
Total	(4,808,144)	(126,998)	8,654	(4,373)
Deferred tax assets (liabilities), net	(2,638,036)	357,899	62,998	(3,160)



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	Consolidated financial statements						As at 31 December 2020 Thousand Baht
	As at 1 January 2020 Thousand Baht	Credited/(charged) to Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	Increase from business combinations Thousand Baht	Reclassification Thousand Baht	Translation adjustment Thousand Baht	
Deferred tax assets							
Loss allowance for trade receivables	22,585	4,716	-	32,937	-	(554)	59,684
Allowance for net realisable value of inventories and inventory costs	396,019	(16,253)	-	3,386	-	4,719	387,871
Allowance for impairment and depreciation of property, plant and equipment	100,054	(4,580)	-	2,894	-	3,600	101,968
Amortisation of intangible assets	126,174	(3,776)	-	65	-	10,872	133,335
Derivative contracts	89,135	(2,281)	(34,907)	-	-	5,142	57,089
Investment in associates	207,358	107,335	-	-	-	(2,366)	312,327
Assets under lease liabilities	17,887	39,044	-	-	-	526	57,457
Employee benefit obligations	142,764	7,726	5,739	-	-	1,560	157,789
Provisions and liabilities	400,856	396,487	-	43,244	-	(4,132)	836,455
Tax loss carried forward	985,401	(260,784)	-	-	(134,060)	15,867	606,424
Others	33,771	(5,171)	-	7,373	-	400	36,373
Total	2,522,004	262,463	(29,168)	89,899	(134,060)	35,634	2,746,772
Deferred tax liabilities							
Depreciation of property, plant and equipment	(380,507)	23,722	-	(3,333)	-	(5,553)	(365,671)
Amortisation of intangible assets	(3,566,501)	1,126	-	(12,389)	-	(292,069)	(3,869,833)
Financial assets measured at FVPL	-	(288,542)	-	-	-	569	(287,973)
Derivative contracts	(32,147)	(2,929)	6,286	-	-	(261)	(29,051)
Investment in associates	(433,037)	85,572	17,355	-	-	313	(329,797)
Lease liabilities	(29,772)	(39,271)	-	-	-	(1,721)	(70,764)
Inventory costs	(105,443)	5,458	-	-	-	(9,943)	(109,928)
Others	(6,394)	(18,502)	-	(19,562)	-	5,861	(38,597)
Total	(4,553,801)	(233,366)	23,641	(35,284)	-	(302,804)	(5,101,614)
Deferred tax assets (liabilities), net	(2,031,797)	29,097	(5,527)	54,615	(134,060)	(267,170)	(2,354,842)

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	Separate financial statements						As at 31 December 2020 Thousand Baht
	As at 1 January 2019 Thousand Baht	Credited/(charged) to Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	As at 31 December 2019 Thousand Baht	Credited/(charged) to Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	
Deferred tax assets							
Loss allowance for trade receivables	13,459	(6,021)	-	7,438	(6,909)	-	529
Allowance for net realisable value of inventories	-	-	-	-	-	-	-
Derivatives assets	6,236	(11,299)	13,635	8,572	837	(6,636)	2,773
Assets under lease liabilities	-	-	-	-	37,524	-	37,524
Employee benefit obligations	32,635	4,910	(2,006)	35,539	18,559	-	54,098
Others	-	-	-	-	3,042	-	3,042
Total	52,330	(12,410)	11,629	51,549	53,053	(6,636)	97,966
Deferred tax liabilities							
Depreciation of property, plant and equipment	(3,046)	783	-	(2,263)	417	-	(1,846)
Lease liabilities	(104)	104	-	-	(36,633)	-	(36,633)
Derivatives liabilities	(985)	(8,359)	(6,956)	(16,000)	(2,264)	1,603	(16,661)
Total	(3,835)	(7,472)	(6,956)	(19,263)	(38,480)	1,603	(55,140)
Deferred tax assets (liabilities), net	48,495	(19,882)	4,673	33,286	14,573	(5,033)	42,826

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 1,406 million (2019: Baht 1,264 million) in respect of losses amounting to Baht 6,800 million (2019: Baht 5,334 million) that can be carried forward against future taxable income. Losses amounting to Baht 4,738 million (2019: Baht 3,431 million) will expire between 2021 and 2039 (2019: between 2020 and 2037).

Part 3
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Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

23 Other non-current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Advance payments for purchase of property, plant and equipment	215,859	247,589	-	654
Deposits and guarantees	244,831	249,348	26,285	23,389
Others	143,906	108,506	-	-
Total other non-current assets	604,596	603,443	26,285	24,053

24 Bank overdrafts and short-term loans from financial institutions

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Bank overdrafts	287,162	208,040	85,939	38,681
Short-term loans	9,057,258	6,702,327	6,057,658	1,707,399
Trust receipts and packing credits	4,081,069	4,273,393	745,926	-
Total bank overdrafts and short-term loans from financial institutions	13,406,089	11,181,760	6,889,424	1,744,080

During the year, the Company has additional short-term loans from financial institutions in Thai Baht to reserve as the Company's working capital. The short-term loans bear interest rates at the range of 0.65% per annum to 2.30% per annum and will be due for repayment within February 2021. The short-term loans have no collateral.

As at 31 December 2020, the Group and the Company's the weighted average interest rate of bank overdrafts and short-term loans from financial institutions were 1.20% per annum and 1.41% per annum, respectively (2019: 1.51% per annum and 1.53% per annum, respectively).

The credit facilities were secured by the Group's inventories (Note 12).

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

25 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade payables - third parties	10,572,982	11,685,129	1,811,875	2,930,848
Trade payables - related parties (Note 42)	192,086	158,752	389,582	510,144
Accrued expenses and other payables - third parties	7,817,107	6,807,377	727,189	803,623
Accrued expenses and other payables - related parties	37,678	40,040	114	8,562
Dividend payables	23,808	21,166	1,415	797
Deposits and unearned revenue	258,136	195,524	54,378	31,083
Property, plant and equipment and intangible assets purchase payable - third parties	360,075	399,898	41,985	112,135
Property, plant and equipment and intangible assets purchase payable - related parties	6,715	15,455	84	2,406
Total trade and other payables	19,067,570	19,323,341	3,006,612	4,389,598

Accrued expenses included provision for legal claim as explained in Note 44. The carrying amounts of trade and other payables approximated their fair values, due to their short-term nature.

26 Long-term loans from financial institutions, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current portion	1,624,950	116,038	1,508,378	-
Non-current portion	12,782,849	14,319,118	12,484,222	13,981,467
Total long-term loans from financial institutions, net	14,407,799	14,435,156	13,992,600	13,981,467

The movements of long-term loans from financial institutions during the year are:

For the year ended 31 December 2020	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance	14,435,156	-	13,981,467	-
Addition	4,296	-	-	-
Amortisation of financial fees	17,358	-	17,358	-
Repayments	(69,101)	-	-	-
Reclassification	(626)	-	-	-
Gain on foreign exchange rates	(7,187)	-	(6,225)	-
Translation adjustment	27,803	-	-	-
Closing balance	14,407,799	-	13,992,600	-

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As at 31 December 2020, long-term loans from financial institutions are for operation, purchases of machinery, investments in subsidiaries, associates and joint ventures and the construction of factories. The loans of Baht 80.54 million (2019: Baht 155 million) are secured against the Group's property, plant and equipment (Note 18). The Group and the Company is subject to certain financial covenants, including limitations on indebtedness, capital leases and capital expenditures, transactions with affiliates, distributions, and dividend payments.

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

Borrowing facilities

The Group had the following unused overdraft lines from financial institutions and other credit facilities:

As at 31 December	Consolidated financial statements	
	2020	2019
Baht	Baht 26,888 million	Baht 30,634 million
US Dollar	USD 238 million	USD 260 million
Euro	EUR 20 million	EUR 19 million
Canadian Dollar	CAD 1 million	CAD 1 million

27 Debentures, net

The Company's debentures which are unsecured debentures with no trustee, issued with a registered certificate and unsubordinated, are summarised below.

Debentures	Interest rate (% per annum)	Terms	Due date	Number of debentures thousand units	Consolidated and Separate financial statements	
					As at 31 December 2020 Million Baht	As at 31 December 2019 Million Baht
Debentures # 1/2011 (3)	5.02	10 years	27 July 2021	1,500	1,500	1,500
Debentures # 1/2014 (3)	4.69	7 years	6 February 2021	1,550	1,550	1,550
Debentures # 1/2014 (4)	5.18	10 years	6 February 2024	1,050	1,050	1,050
Debentures # 2/2014 (1)	4.21	17 years	9 October 2021	1,000	1,000	1,000
Debentures # 2/2014 (2)	4.58	10 years	9 October 2024	3,500	3,500	3,500
Debentures # 2/2014 (3)	4.58	15 years	9 October 2029	3,500	3,500	3,500
Debentures # 2/2016 (1)	2.32	5 years	20 July 2021	2,000	2,000	2,000
Debentures # 2/2016 (2)	2.79	7 years	20 July 2023	2,000	2,000	2,000
Debentures # 1/2017 (1)	2.49	3 years	19 January 2020	3,500	3,500	3,500
Debentures # 1/2017 (2)	2.91	5 years	19 January 2022	2,000	2,000	2,000
Debentures # 1/2017 (3)	3.58	7 years	19 January 2024	2,500	2,500	2,500
Debentures # 1/2017 (4)	4.00	10 years	19 January 2029	2,500	2,500	2,500
Debentures # 1/2019 (1)	2.78	7 years	6 November 2026	2,000	2,000	2,000
Debentures # 1/2019 (2)	3.00	10 years	6 November 2029	4,000	4,000	4,000
Total debentures - face value					29,366	32,875
Less: Unamortised issuance costs					(25)	(32)
Total debentures, net					29,341	32,843
Less: Current portion of debentures, net					(6,949)	(3,500)
Non-current portion of debentures, net					23,292	29,343

The above debentures contain covenants relating to various matters such as the maintenance of net debt to shareholders' equity ratio and interest coverage ratio, and certain conditions in issuance of debentures agreements. For example, it is prohibited for annual dividend payment in the form of cash exceeding 60% of the year's consolidated net income.

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The movement of debentures during the year can be analysed as follows:

	Consolidated and separate financial statements	
	2020	2019
Opening balance	32,842,876	32,842,876
Repayments	(3,500,000)	(3,500,000)
Amortisation of issuance costs	7,313	7,313
Unrealised gain on foreign exchange rates	(9,337)	(9,337)
Closing balance	29,340,852	29,340,852

The fair values of debentures as at 31 December 2020 and 2019 are Baht 30,757 million and Baht 34,361 million, respectively. These fair values are based on the closing price by reference to the Thai Bond Dealing Centre as at the date of the statement of financial position, which is within level 1 of the fair value hierarchy.

28 Other current liabilities

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Options over non-controlling interests of an overseas subsidiary	1,877,856	-	177,005	28,100
Others	818,930	357,401	-	-
Total other current liabilities	2,496,786	357,401	177,005	28,100

In 2016, the Group acquired 51% equity stake in Rugen Fisch AG. The Group also holds a call option and the other shareholders who are a non-controlling interest hold a put option, over the remaining 49% exercisable within 2021. The Group has an obligation to purchase non-controlling interests' shareholding, which represents 49% of total shareholding. The Group recognised the liabilities of Baht 1,678 million (2019: Baht 1,595 million) under other current liabilities (2019: Baht 1,595 million) classified as other non-current liabilities) together with options over non-controlling interests as part of business combination, which is presented in other reserve in the statement of changes in equity.

29 Employee benefit obligations

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Liability in the statement of financial position	2,700,091	2,545,033	748,414	694,776
- Retirement benefits	-	-	-	-
Profit or loss charge included in the statement of income	267,861	471,961	84,053	144,859
- Retirement benefits	-	-	-	-
Remeasurement for retirement benefits	15,667	(243,441)	-	(198,421)

Retirement benefits plans

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.



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The movements in the defined benefit obligations during the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January	2,545,033	2,470,580	694,776	786,950
Current service cost	202,569	200,537	68,655	74,414
Past service cost	6,248	204,943	6,248	35,416
Interest cost	59,041	66,481	9,130	13,028
	287,861	471,961	84,053	144,859
Re-measurements:				
(Gain) Loss from change in demographic assumptions	1,450	(207,674)	-	(118,878)
(Gain) Loss from change in financial assumptions	5,907	4,769	-	(44,405)
Experience (Gain) Loss	8,310	(40,536)	-	(35,138)
	15,667	(243,441)	-	(198,421)
Increase from business combination	4,059	10,054	-	-
Benefit payments	(148,373)	(141,624)	(30,415)	(37,683)
Reclassification	-	3,140	-	(929)
Disposal - Subsidiary	-	(860)	-	-
Translation adjustment	16,844	(24,787)	-	-
As at 31 December	2,700,091	2,545,033	748,414	694,776

The Group and the Company expect to pay Baht 382 million and Baht 181 million, respectively, of retirement benefits during the next year (2019: Baht 380 million and Baht 181 million, respectively).

As at 31 December 2020, the weighted average durations of the liabilities for retirement benefits for the Group and the Company are 17 years and 13 years, respectively (2019: 15 years and 13 years, respectively).

The principal actuarial assumptions used:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate (%)	1.6 - 3.1	1.8 - 3.0	1.2 - 2.5	1.2 - 2.5
Salary growth rate (%)	3.1 - 7.0	3.3 - 6.8	3.0 - 7.0	3.0 - 7.0
Turnover rate (%)	2.7 - 27.5	2.8 - 27.8	3.0 - 30.0	3.0 - 30.0

Sensitivity analysis for each significant assumption used is as follows:

	Consolidated financial statements		Separate financial statements	
	Impact on defined benefit obligation		Decrease	
	2020	2019	2020	2019
% Change	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	1	(155,637)	187,532	196,478
Salary growth rate	1	250,861	(217,331)	(192,178)
Turnover rate	20	(235,244)	280,358	253,916

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	Separate financial statements		Impact on defined benefit obligation	
	Increase		Decrease	
	2020	2019	2020	2019
% Change	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	1	(47,289)	53,996	52,615
Salary growth rate	1	58,518	(52,184)	(45,338)
Turnover rate	20	(79,396)	101,148	87,712

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions at the end of the year, the same method has been applied as when calculating the employee benefit obligation recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

30 Share capital, premium on share capital and treasury shares

	Number of issued and paid-up shares		Premium on share capital		Total	
	Shares	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January 2019	4,771,815,496	1,192,954	19,948,329	21,141,283	-	-
Issue of shares	-	-	-	-	-	-
As at 31 December 2019	4,771,815,496	1,192,954	19,948,329	21,141,283	-	-
Issue of shares	-	-	-	-	-	-
As at 31 December 2020	4,771,815,496	1,192,954	19,948,329	21,141,283	-	-

The total number of authorised ordinary shares is 5,971,815,496 shares (2019: 5,971,815,496 shares) with a par value of Baht 0.25 per share (2019: Baht 0.25 per share). There are 4,771,815,496 shares (2019: 4,771,815,496 shares) which are fully paid.

The Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the issued shares' par value to a share premium. The share premium is not available for dividend distribution.

The Board of Directors approved on 17 March 2020 the repurchase of the Company's shares during the six-month period from 1 April 2020 to 30 September 2020. The maximum amount of share repurchases will not be more than Baht 3,000 million and the number of repurchased shares will not be more than 200 million shares, which is 4.19% of the total issued and paid-up shares. The resale of the repurchased shares will take place no earlier than six months after the completion date of the share repurchase, but within three years.

During the year, the Company acquired its own common shares through purchases on the Stock Exchange of Thailand in accordance with the share buy-back plan. The shares are held as treasury shares. The 117 million treasury shares were acquired for Baht 1,519 million, which has been deducted from equity. The Company is holding these treasury shares for reissuance at a later date.

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34 Hedging reserve

The Group's hedging reserve relate to the following hedging instruments:

	Consolidated financial statements			
	Cash flow hedge		Cost of hedging	
	Thousand BHD	reserve	Thousand BHD	Thousand BHD
For the year ended 31 December 2019				
Opening balance as at 1 January 2019	186,156		46,073	232,229
Change of fair value recognised in OCI	2,118,541		(22,422)	2,096,119
Reclassified from OCI to profit or loss				
- Sales	393,267		-	393,267
- Losses on exchange rates	(2,376,384)		(42,876)	(2,376,384)
- Other losses	-		-	(42,876)
Deferred taxes	(38,992)		57	(38,935)
Translation adjustments	(2,462)		-	(2,462)
Closing balance as at 31 December 2019	280,126		(19,168)	260,958
For the year ended 31 December 2020				
Opening balance as at 1 January 2020	280,126		(19,168)	260,958
Change of fair value recognised in OCI	1,116,536		(158,192)	958,344
Reclassified from OCI to profit or loss				
- Sales	(250,284)		-	(250,284)
- Losses on exchange rates	(1,300,368)		-	(1,300,368)
- Other gains			19,607	19,607
Deferred taxes	28,368		253	28,621
Translation adjustments	(1,042)		-	(1,042)
Closing balance as at 31 December 2020	(126,665)		(157,500)	(284,165)
For the year ended 31 December 2019				
Opening balance as at 1 January 2019	184,033		46,073	240,106
Change of fair value recognised in OCI	2,153,719		(22,422)	2,131,297
Reclassified from OCI to profit or loss				
- Sales	185,998		-	185,998
- Losses on exchange rates	(2,376,384)		(42,876)	(2,376,384)
- Other losses	-		-	-
Deferred taxes	(6,736)		57	(6,679)
Closing balance as at 31 December 2019	150,630		(19,168)	131,462
For the year ended 31 December 2020				
Opening balance as at 1 January 2020	150,630		(19,168)	131,462
Change of fair value recognised in OCI	1,335,301		(158,192)	1,177,109
Reclassified from OCI to profit or loss				
- Sales	(85,068)		-	(85,068)
- Losses on exchange rates	(1,300,368)		-	(1,300,368)
- Other gains			19,607	19,607
Deferred taxes	4,780		253	5,033
Closing balance as at 31 December 2020	105,273		(157,500)	(52,227)

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31 Perpetual debentures

In November 2019, the Company issued subordinated perpetual debentures payable upon liquidation with the issuer's call option and unconditional interest deferral totalling Baht 6,000 million. Such subordinated perpetual debentures are offered by public offering (institutional investors and/or general investors). The issuance cost was Baht 50.31 million, which was presented as a part of equity in the consolidated and separate financial statements.

The subordinated perpetual debentures will be payable upon liquidation with the issuer's call option, the subordinated perpetual debentures entitle the holders to receive fixed interest of 5% per annum in 5 years and thereafter at interest rate quarterly. The sum of reference rate, initial credit spread and fixed rate as agreement at year 6-25, 26-50 and 51 onwards by quarterly. The issuer is solely entitled the right and discretion to defer any interest payment.

As at 31 December 2020, the Company had perpetual debentures of Baht 6,000 million, excluding the issuance cost of Baht 50.31 million. This has been presented as a part of equity.

During the year, the Company paid interest to the debenture's holders of Baht 300.82 million. This has been recognised as part of unappropriated retained earnings.

32 Dividends

On 5 April 2019, the Annual General Meeting of the Company approved a resolution to pay a dividend of Baht 1,909 million from its net profit from operations of the year 2018. However, by the resolution of the meeting of the Company's Board of Directors held on 6 August 2018, the Company paid out the interim dividend payment of Baht 0.25 per share from the second quarter of 2018. The remaining dividend paid on 30 June 2018 to the Company's shareholders totaling Baht 1,193 million on 30 September 2018. The remaining dividend of Baht 0.15 per share or totaling Baht 716 million was paid on 23 April 2019.

On 6 August 2019, the Board of Directors' meeting of the Company passed a resolution to approve an interim dividend payment of Baht 0.25 per share to the Company's shareholders totalling Baht 1,193 million. The interim dividend was paid on 3 September 2019.

On 27 March 2020, the Company's Board of Directors passed a resolution approving an interim dividend payment of Baht 22.22 per share totaling Baht 1,050 million, which was paid on 22 April 2020. The payment rate is the same as what was previously approved by the Board of Directors on 17 February 2020 and disclosed in the financial statements for the year ended 31 December 2019. This was to prevent any impact on shareholders from the postponement of the 2020 Annual General Meeting of Shareholders due to COVID-19 in Thailand.

On 11 August 2020, the Company's Board of Directors passed a resolution to approve an interim dividend payment of Baht 3.32 per share, totalling Baht 1,490 million to the Company's shareholders. The interim dividend was paid on 8 September 2020.

33 Legal reserve

	Consolidated financial statements	Separate financial statements
	2019	2019
	Thousand	Thousand
	Baht	Baht
	Baht	Baht
As at 1 January	149,295	149,295
Appropriate during the year	149,295	149,295
As at 31 December	149,295	149,295

Under of the Public Limited Company Act, B.E. 2535, the Company must set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.



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35 Sales

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Sales (Note 46)	132,402,436	126,275,247	20,103,773	27,399,770
Management fees	-	-	425,848	251,555
Total sales	132,402,436	126,275,247	20,529,621	27,651,325

36 Other income

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Tax coupon	177,120	180,988	16,434	17,103
Management fees	2,402	72,901	12,602	10,086
Others	525,634	392,986	279,428	218,377
Total other income	705,156	646,775	308,462	245,576

37 Other gains (losses), net

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Net gain (loss) on disposals of property, plant and equipment	(2,702)	(52,238)	9,571	(29,373)
Gain (loss) on exchange rates, net	(24,447)	54,081	(173,187)	(492,852)
Gain on financial instruments, net (Note 45.3)	939,889	1,199,933	152,858	483,358
Loss on impairment of investment in an associate (Note 15)	-	(172,910)	-	-
Impairment gain (losses) on financial assets	6,020	(384)	(390,718)	6,355
Others	918,760	882,158	192,941	(11,845)
Total other gains (losses), net	918,760	882,158	(382,181)	(44,357)

38 Finance costs

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Amortisation of financing costs	24,671	26,753	24,671	26,753
Interest expenses	1,616,512	1,800,825	1,411,673	1,590,645
Interest expenses from lease liabilities (Note 19)	67,466	73,273	20,983	23,300
Other finance costs	15,789	154,716	15	29,761
Total finance costs	1,724,438	2,055,567	1,457,342	1,660,459

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

39 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
For the years ended 31 December				
Changes in finished goods and work in process and purchased finished goods	241,832	(900,902)	694,937	(371,902)
(Provision of) Allowance for net realisable value	81,444,333	79,156,284	11,379,884	21,449,835
Employee expenses	82,542	(103,788)	(12,764)	(6,155)
Depreciation on property, plant and equipment and right-of-use assets (Note 19 and Note 19)	15,744,084	15,502,908	2,782,937	3,083,177
Impairment of property, plant and equipment, intangible assets	3,575,285	3,383,070	632,026	596,269
Amortisation of intangible assets (Note 20)	29,966	29,977	-	-
Research and development expenses	380,190	307,809	200,659	149,105
	162,930	75,733	18,668	46,398

40 Income tax

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
For the years ended 31 December				
Current tax:				
Current tax on profit for the year	834,202	520,733	6,870	4,812
Adjustments in respect of prior year	(81,341)	44,821	(4,082)	(1,531)
Total current tax	752,861	565,554	2,788	3,281
Deferred tax (Note 22):				
Decrease (Increase) in deferred tax assets	(262,463)	(484,877)	(53,053)	12,410
Increase in deferred tax liabilities	233,366	126,988	38,480	7,472
Total deferred income tax	(29,097)	(357,889)	(14,573)	19,882
Total income tax expenses (income)	723,764	207,665	(11,785)	23,163
Income tax expenses (income) attributable to:				
- continuing operation	723,764	157,937	(11,785)	23,163
- discontinued operations	-	49,728	-	-
Total income tax expenses (income)	723,764	207,665	(11,785)	23,163



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

The taxes on the Group and the Company's profits before tax differ from the theoretical amounts that would arise using the basic tax rates of the Group and the Company as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit before tax from continuing operations	7,278,998	4,428,037	2,841,405	4,063,283
Loss before tax from discontinued operation	(46,222)	(52,720)	-	-
Total profit before tax	7,232,776	4,375,317	2,841,405	4,063,283
Tax calculated at tax rates of 10-34% (2019: 10-34%)	1,540,254	787,192	529,281	812,657
Tax effect of:				
Income not subject to tax	(1,243,643)	(1,021,757)	(709,795)	(984,001)
Additional expenses deductible for tax purpose	(32,974)	(110,057)	(18,592)	(3,425)
Excess of tax paid for tax purposes	23,586	148,300	66,266	26,408
Utilisation of previously unrecognised tax losses	(27,312)	(38,588)	-	-
Recognition of deferred tax assets from previously unrecognised tax losses and temporary differences	(23,016)	(56,930)	-	-
Tax losses and temporary differences for which no deferred tax asset was recognised	288,142	380,052	124,889	147,109
Adjustments in respect of prior year	(81,341)	44,921	(4,082)	(1,531)
Impact on change in tax rate	(7,382)	54,026	-	-
Others	78,451	30,504	1,224	25,946
Total income tax expenses (income)	723,764	207,665	(11,785)	23,163
The Group's weighted average applicable tax rate was 10.01% (2019: 4.75%). The changes in estimated average tax rate of the Group are due to unrecognised deferred tax assets from the additional tax benefit in relation to the operation of foreign subsidiaries.				
The Company's weighted average applicable tax rate was -0.45% (2019: 0.57%).				
The tax charge relating to components of other comprehensive income is as follows:				
For the years ended	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Before tax Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	After tax Thousand Baht
Remeasurements gain (loss) of employee benefit obligations	(15,667)	5,739	(9,928)	243,441
Share of comprehensive expenses from investments accounted for using the equity method	(23,592)	-	(23,592)	(46,846)
Other reserves	179,782	-	179,782	(12,973)
Change in fair values of equity instruments	(21)	-	(21)	4,535
Hedging reserve	573,744	(28,621)	545,123	(67,664)
Translation adjustment	1,160,989	17,355	1,178,344	(2,195,104)
Other comprehensive income (expenses)	1,875,235	(5,527)	1,869,708	(2,074,611)
				62,998
				(2,011,613)

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

For the years ended	Separate financial statements	
	31 December 2020	31 December 2019
	Before tax Thousand Baht	After tax Thousand Baht
Actual gain(loss) on employee benefit obligations	188,722	(5,033)
Hedging reserve	-	183,689
Other comprehensive income (expenses)	188,722	(5,033)
		300,366
		4,873
		305,059

Actual gain(loss) on employee benefit obligations

Hedging reserve

Other comprehensive income (expenses)

41 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the parent (excluding other comprehensive income/expenses) by the weighted average number of ordinary shares in issue during the year.

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net profit attributable to the owners of the parent (Thousand Baht)	6,292,312	3,918,325	2,653,190	4,040,120
- From continuing operations	(46,222)	(102,449)	-	-
Net profit attributable to the owners of the parent (Thousand Baht)	6,246,090	3,815,877	2,653,190	4,040,120
Less: Interest paid on perpetual debentures (Thousand Baht) (Note 31)	(300,823)	-	(300,823)	-
	5,945,267	3,815,877	2,352,367	4,040,120
Weighted average number of ordinary shares outstanding (Thousand shares)	4,713,523	4,771,815	4,713,523	4,771,815
Basic earnings per share (Baht per share)	1.26	0.80	0.50	0.85

There are no dilutive potential ordinary shares in issue during the year presented, so no diluted earnings per share is presented.

The weighted average number of ordinary shares outstanding for the year ended 31 December 2020 changed from the comparative period because of the treasury shares (Note 30).



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

42 Related party transactions

The Company is the ultimate parent company. The largest shareholder of the Company is the Chensiri family, which owns 19.26% of the Company's shares. The remaining shares are widely held. The lists of subsidiaries, associates and joint ventures are set out in Note 15.

The following significant transactions and balances were carried out with related parties:

42.1 Revenue

For the years ended 31 December

Revenue from sales

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Subsidiaries	-	-	7,791,945	14,662,973
Associates	2,033,091	2,924,940	771	13,511
Joint ventures	232,603	72,287	69,066	16,521
Other related companies	685,759	729,637	266,483	300,733

	2,951,453	3,725,864	8,128,265	14,993,738
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Interest income

Subsidiaries	-	-	1,586,767	1,769,020
Associates	8,187	223,748	-	-
Joint ventures	10,883	7,984	10,883	7,984

	19,070	231,732	1,600,650	1,776,004
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Dividend income

Subsidiaries	-	-	2,607,689	3,617,245
Associates	-	-	49,947	142,285

	-	-	2,657,636	3,759,540
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Other income

Subsidiaries	-	-	235,881	169,329
Associates	42,891	142,024	247	12,999
Joint ventures	982	2,353	6	175
Other related companies	724	340	643	340

	44,997	145,817	236,757	183,443
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42.2 Purchases of goods and services, fixed assets and intangible assets

For the years ended 31 December

Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Subsidiaries	1,595,085	1,268,690	1,876,613	1,945,229
Associates	25,304	3,547	24,401	5,352
Joint ventures	1,063,189	1,219,810	91,988	93,257
Other related companies	2,693,578	2,492,047	1,894,815	2,036,954

	5,358,156	5,982,087	4,087,817	4,074,792
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Purchases of fixed assets and intangible assets

Subsidiaries	-	-	4,780	459,626
Associates	56	-	56	-
Joint ventures	76,808	119,877	7,650	12,426
Other related companies	76,864	119,877	12,486	471,052

	153,728	239,754	24,972	573,104
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Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

42.3 Outstanding balances arising from sales and purchases of goods, services and fixed assets

As at 31 December

Trade receivables - related parties, net

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Subsidiaries	-	-	1,357,537	2,169,717
Associates	258,739	312,726	13	3,587
Joint ventures	69,699	64,034	23,138	32,845
Other related companies	42,600	41,759	10,017	9,836

	391,038	418,519	1,390,705	2,215,995
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Accrued interest income - related parties

Subsidiaries	-	-	700,149	411,830
Associates	-	12,171	-	-
Joint ventures	2,504	2,513	2,504	2,513

	2,504	14,684	702,653	414,343
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Trade payables - related parties

Subsidiaries	146,033	106,060	352,883	506,312
Associates	-	-	161	277
Joint ventures	-	228	-	228
Other related companies	50,036	52,464	16,518	3,327

	196,069	158,752	369,562	510,144
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42.4 Outstanding balances arising from lease liabilities

As at 31 December

Lease liabilities - related parties

Subsidiaries	-	-	206,169	239,045
Other related companies	151,701	147,434	117,593	112,215

	151,701	147,434	323,762	351,260
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42.5 Short-term loans to related parties

As at 31 December

Short-term loans to related parties

Subsidiaries	-	-	13,038,591	9,241,776
Associates	-	123,499	-	-
Joint ventures	-	-	-	-

	-	123,499	13,038,591	9,241,776
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Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

The movements of short-term loans to related parties during the year are shown below:

For the year ended 31 December 2020	Consolidated financial statements		Separate financial statements	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance	123,499		9,241,776	
Additions	48,991		52,715,308	
Transfers from (to) long-term loans to related parties	(179,331)		1,331,916	
Repayments	-		(49,888,735)	
Gain (loss) on exchange rates	339		(350,674)	
Translation adjustment	6,502		-	
Closing balance	-		13,039,591	

The loss allowance for short-term loans to related parties can be reconciled as follows:

For the year ended 31 December 2020	Consolidated financial statements		Separate financial statements	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening loss allowance as at 1 January 2019	-		(12,825)	
Gain on exchange rates	-		1,181	
Closing loss allowance as at 31 December 2019	-		(11,644)	
(Increase) Decrease in loss allowance recognised in profit and loss during the year	(244,913)		(244,913)	
Transfer from long-term loans to related parties	-		(1,087)	
Loss on exchange rates	-		-	
Closing loss allowance as at 31 December 2020	(244,913)		(257,644)	

42.6 Short-term loans from related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht
Subsidiaries	45,100	82,100	80,960	8,475
Associates	-	-	-	-
	45,100	82,100	80,960	8,475

The movements of short-term loans from related parties during the year are shown below:

For the year ended 31 December 2020	Consolidated financial statements		Separate financial statements	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance	82,100		8,475	
Additions	61,700		5,066,758	
Repayments	(69,700)		(4,957,147)	
Gain on exchange rates	-		(37,126)	
Closing balance	45,100		80,960	

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

42.7 Long-term loans to related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Long-term loans to related parties, net	-	-	33,624,499	36,028,631
Subsidiaries	-	241,138	-	241,138
Joint ventures	-	-	-	-
	-	241,138	33,624,499	36,269,769

The movements of long-term loans to related parties during the year are shown below:

For the year ended 31 December 2020	Consolidated financial statements		Separate financial statements	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance	241,138		36,269,769	
Additions	78,158		532,720	
Transfers from (to) short-term loans to related parties	179,331		(1,331,916)	
Repayments	-		(2,591,642)	
Decrease from business combinations	(261,759)		-	
Convert to investment in a subsidiary (Note 15)	-		(204,122)	
Adjustments for fair value hedges	-		23,488	
Allowance for impairment losses	(253,312)		(390,718)	
Gain on exchange rates	12,173		1,316,920	
Translation adjustment	4,271		-	
Closing balance	-		33,624,499	

The loss allowance for long-term loans to related parties can be reconciled as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht
Opening loss allowance as at 1 January 2019	-		(449,779)	
Increase from disposal of subsidiary	(4,020)		-	
(Increase) Decrease in loss allowance recognised in profit or loss during the year	(908)		6,355	
Gain on exchange rates	255		25,672	
Closing loss allowance as at 31 December 2019	(4,671)		(417,752)	
Increase from disposal of subsidiary	-		(390,718)	
Increase in loss allowance recognised in profit and loss during the year	244,913		244,913	
Transfer to short-term loans to related parties	(253,312)		-	
Gain on exchange rates	13,070		9,189	
Closing loss allowance as at 31 December 2020	-		(554,368)	



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

42.8 Directors and key management remunerations

The compensation paid or payable to directors and key management is shown below:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
For the years ended 31 December				
Short-term employee benefits	310,280	297,804	222,373	207,641
Post-employment benefits	86,275	37,292	14,311	8,098
Other long-term benefits	53,301	39,948	33,372	25,617
	449,856	375,042	270,056	241,356

43 Cash flows information

43.1 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities is shown below:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
For the years ended 31 December				
Profit (Loss) before income tax:				
From continuing operations	7,278,998	4,428,037	2,841,405	4,063,283
From discontinued operations	(46,222)	(52,720)	-	-
Total	7,232,776	4,375,317	2,841,405	4,063,283

Adjustment items:

Depreciation expenses (Note 18 and 19)	3,575,285	3,393,070	632,026	598,269
Amortisation expenses (Note 20)	380,190	307,809	200,659	149,105
(Reversal of) Allowance for impairment losses on trade receivables	(46,800)	(22,768)	(51,091)	(18,220)
(Increase)/Decrease for diminution in value of inventories	82,542	(103,788)	(12,764)	(6,155)
Allowance for impairment loss on non-financial assets	56,102	673,511	138,411	-
Allowance for loss on impairment of investments in a subsidiary and an associate	-	172,910	20,046	-
Loss allowance for loans to related parties (Note 42)	-	906	390,718	(6,355)
Employee benefit obligations (Note 29)	267,861	471,981	84,053	144,859
Gain on sale of investment in associates	-	(95,059)	-	(28,360)
Loss on disposals of assets of disposal group classified as held for sale	10,990	-	-	-
(Gain)/Loss on disposals and write-offs of property, plant and equipment, intangible assets and goodwill, net	-	-	-	-
Share of (profits) loss from investments accounted for using the equity method (Note 15)	264,453	63,964	(8,144)	29,559
Fair value adjustments to investment instruments, net	527,489	(591,288)	-	-
Fair value adjustments to financial instruments, net	(836,236)	(726,372)	-	-
(Gain)/Loss on exchange rates	1,803,790	(1,873,803)	1,744,291	(1,910,171)
Dividend income	(1,274,319)	3,479,952	(889,388)	3,669,178
Finance costs (Note 38)	(29)	(28)	(2,637,636)	(3,759,540)
Interest income	1,724,438	2,055,367	1,457,342	1,660,458
	(85,608)	(323,720)	(1,638,975)	(1,946,312)
Total	6,445,146	6,872,944	(889,652)	(1,125,683)

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

For the years ended 31 December

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Changes in operating assets and liabilities:				
(Increase) Decrease in trade and other receivables	1,855,276	231,298	702,715	293,957
(Increase) Decrease in inventories	(1,042,566)	(128,210)	1,566,493	(520,294)
(Increase) Decrease in other current assets	(61,894)	60,065	7,044	2,603
(Increase) Decrease in other non-current assets	16,465	7,650	(2,886)	4,454
(Increase) Decrease in trade and other payables	(463,909)	570,818	(1,193,480)	72,522
(Increase) Decrease in other current liabilities	370,968	92,623	35,830	1,496
(Increase) Decrease in other non-current liabilities	(102,217)	(242,253)	(7,051)	19,691
Cash paid for employee benefit obligations	(149,373)	(141,624)	(30,415)	(37,695)
Total	422,691	450,365	1,088,050	(163,256)

Profit before income tax	7,232,776	4,375,317	2,841,405	4,063,283
Adjustment items	6,445,146	6,872,944	(889,652)	(1,125,683)
Changes in operating assets and liabilities	422,691	450,365	1,088,050	(163,256)
Cash flows receipts from operations	14,100,613	11,698,526	3,039,803	2,774,344
- Income tax received (paid)	(688,203)	56,772	36,915	(3,562)
Net cash receipts from operating activities	13,432,410	11,755,298	3,076,718	2,770,782

43.2 Change in liabilities arising from financing activities

	Consolidated financial statements			
	Short-term loans from financial institutions	Short-term loans from financial institutions	Long-term loans from financial institutions	Lease liabilities
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January 2019	13,100,270	92,600	411,920	1,715,684
Cash flows	(1,362,139)	2,926	(1,347,907)	(3,158,191)
Non-cash changes:				
Additions	-	-	1,956,034	-
Redemption of lease liabilities	-	-	-	(1,956,034)
Amortisation of financing fees	-	-	16,911	-
Amortisation of issuance costs	-	-	-	9,842
Write-off (Sale)	-	-	-	-
Reclassification	(95,381)	-	(6,371)	(17,660)
(Gain)/loss on exchange rates	(13,724)	-	3	(13,720)
Translation adjustment	(80,754)	-	(37,752)	(80,750)
As at 31 December 2019	10,975,520	95,526	375,927	1,438,156
Cash flows	2,102,528	(37,900)	(1,751,511)	(64,805)
Non-cash changes:				
Additions	-	-	1,632,302	-
Redemption of lease liabilities	-	-	-	(1,632,302)
Amortisation of financing fees	-	-	17,358	-
Amortisation of issuance costs	-	-	-	7,913
Write-off (Sale)	-	-	-	-
Reclassification	-	626	-	(626)
(Gain)/loss on exchange rates	5,611	-	49	(7,167)
Translation adjustment	55,068	(5)	449	55,068
As at 31 December 2020	13,138,927	59,147	257,363	1,407,799



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

	Separate financial statements					
	Short-term loans from institutions Thousand Baht	Short-term loans from institutions Thousand Baht	Accrued interest expenses Thousand Baht	Long-term loans from institutions Thousand Baht	Debtures Thousand Baht	Lease liabilities Thousand Baht
As at 1 January 2019	3,769,076 (2,055,347)	24,061 (1,625,847)	- (330,430)	14,078,732	35,162,488	587,040 (134,281)
Non-cash changes:						
Additions	-	-	1,610,407	-	-	24,071
Deferred finance fees costs	-	-	-	-	-	(2,437)
Amortisation of financing fees	-	-	-	16,911	-	23,300
Amortisation of insurance costs	-	-	-	-	9,842	-
Write-off (Sale)	-	-	(7,970)	-	-	(3,450)
Reclassification	-	-	-	-	-	-
(Gain) loss on exchange rates	13,720 (15,606)	-	2	(114,176)	(171,263)	(1,416)
As at 31 December 2019	1,707,399 5,091,118	8,475 109,611	366,982 (1,528,570)	13,961,467	32,942,676 (3,500,000)	492,827 (137,177)
Non-cash changes:						
Additions	-	-	1,411,688	-	-	16,686
Deferred finance fees costs	-	-	-	-	-	(15)
Amortisation of financing fees	-	-	-	17,358	-	20,963
Amortisation of insurance costs	-	-	-	-	7,313	-
Write-off (Sale)	-	-	-	-	-	(64)
Reclassification	-	-	-	-	-	-
Renewal/extension	5,068 (37,126)	-	-	(6,225)	(9,337)	36,601 (273)
(Gain) loss on exchange rates	-	-	-	-	-	-
As at 31 December 2020	6,803,585	80,960	250,100	13,992,600	29,340,852	429,588

44 Commitments and contingent liabilities

44.1 Capital commitments

The Group had these capital commitments as at the statement of financial position date which were not recognised:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
As at 31 December				
Land purchase agreement	-	Baht 347 million	-	-
Factory, building and warehouse construction agreements	Baht 147 million EUR 1 million Rupiah 60,413 million	Baht 75 million EUR 2 million Rupiah 10,422 million	Baht 6 million	Baht 15 million
Purchases of machinery and equipment agreements	Baht 137 million EUR 2 million USD 4 million JPY 2 million	Baht 338 million EUR 2 million USD 5 million JPY 78 million	Baht 2 million	Baht 1 million
Other fixed assets purchase agreements	EUR 0.1 million	-	-	-
Computer software agreements	Baht 6 million EUR 0.1 million	-	-	-

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

44.2 Guarantees

- a) As at 31 December 2020, there were outstanding bank guarantees of Baht 32 million (2019: Baht 32 million) issued on behalf of the Company in the normal course of business.
- b) As at 31 December 2020 there were outstanding bank guarantees of Baht 86 million, EUR 7 million, NOK 3 million and PLN 1 million (2019: Baht 105 million, USD 2 million, EUR 5 million, NOK 3 million and PLN 1 million) issued on behalf of the subsidiaries in the normal course of business.
- c) As at 31 December 2020, there were outstanding letter of guarantees of USD 14 million (2019: USD 16 million) issued on behalf of the Company and a subsidiary to financial institutions to secure credit facilities of the Group's joint ventures.
- d) As at 31 December 2020, there were outstanding bank guarantees of EUR 21 million, CAD 9 million and CNY 41 million (2019: EUR 21 million, CAD 9 million and CNY 38 million) issued on behalf of the Company to secure credit facilities of its subsidiaries.

44.3 Litigation

Tri-Union Seafoods LLC (Tri-U)

On 15 July 2015, Tri-U was served with a subpoena from the United States Department of Justice ("DOJ") concerning a DOJ antitrust investigation into the packaged seafood industry. Tri-U has fully cooperated with the government, including producing documents and other evidence responsive to the subpoena. Tri-U was granted conditional leniency by the DOJ, which means that, provided Tri-U continues to fully cooperate with the DOJ, neither the company nor any cooperating executives, or employees will face prosecution or penalties.

Tri-U has also been named as a defendant in several separate civil class actions and direct civil actions (Civil Actions). The plaintiffs are various retailers, grocery stores and consumers that allegedly purchased packaged seafood products from Tri-U and other named defendants. The Civil Actions allege a conspiracy to fix, raise, maintain, and/or stabilize prices for packaged seafood products within the United States, in violation of Sections 1 and 3 of the Sherman Antitrust Act (15 U.S.C. §§ 1, 3) and in violation of various state antitrust, consumer protection, deceptive trade practices and unfair competition statutes. Plaintiffs seek to recover damages.

As at 31 December 2020, the Group recognised sufficient accrual which is in line with the expected settlements.

On 11 January 2021, Tri-U has reached an agreement in principle to settle these remaining antitrust litigation cases. At this stage, all that remains is final court approval of the settlement agreement negotiated and concluded by the parties. The approval of the settlement of these remaining antitrust litigation cases brings to an end the antitrust litigation cases in Tri-U.



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

45 Financial instruments

45.1 Derivatives

The Group has the following derivative financial instruments:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Current assets				
Foreign currency forwards				
- held for trading	317,835	264,424	316,005	262,008
- cash flow hedges	605,081	1,591,954	252,400	1,473,838
Cross currency and interest rate swaps				
- cash flow hedges	431,422	93,867	431,422	93,867
Other derivatives - held for trading	54,100	-	-	-
Total current derivative assets	1,408,438	1,950,245	999,827	1,829,713
Non-current assets				
Foreign currency forwards				
- held for trading	47,120	-	47,120	-
- cash flow hedges	931,715	845,716	931,715	845,716
Cross currency and interest rate swaps				
- held for trading	84,635	-	94,635	-
- cash flow hedges	507,761	1,438,706	507,761	1,438,706
Fair value hedges	67,628	75,719	67,628	75,719
Other derivatives - held for trading	-	-	7,875	7,874
Total non-current derivative assets	1,648,860	2,360,231	1,656,735	2,368,105
Current liabilities				
Foreign currency forwards				
- held for trading	58,746	28,480	22,024	20,728
- cash flow hedges	127,888	193,971	26,780	111
Cross currency and interest rate swaps				
- cash flow hedges	282,368	45,110	282,368	45,110
- fair value hedges	13,042	5,048	13,042	5,049
Total current derivative liabilities	482,044	272,610	344,214	70,988
Non-current liabilities				
Foreign currency forwards - cash flow hedges				
- cross currency and interest rate swaps	125,451	528	125,451	528
- cash flow hedges	283,334	653,671	283,334	653,671
Interest rate swap - cash flow hedges	90,063	94,868	-	-
Other derivatives - held for trading	7,670	40,592	-	-
Total non-current derivative liabilities	516,518	799,627	418,785	654,199

Derivatives are used for economic hedging purposes and not as speculative investments. However, where derivatives are used for hedging purposes, they are classified as held for trading according to IFRS 9. They are measured at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be realised within 12 months after the end of the reporting period.

Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

45.2 Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Group and the Company are disclosed in Note 6.1.

The aggregate net foreign exchange gains (losses) recognised in profit or loss were:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Gain (loss) on exchange rates, net (Note 37)	(24,447)	54,061	(173,187)	(482,852)
Net gain (loss) on exchange rates included in				
- Sales	(245,389)	433,228	(85,069)	185,998
- Cost of sales	6,280	(21,705)	-	-
Total net gain (loss) on exchange rate recognised in profit before income tax	(263,556)	465,584	(258,256)	(306,854)

45.3 Net gain (loss) on financial instruments

The aggregate net gain (loss) on financial instruments recognised in profit or loss were:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Gains on derivatives that do not apply as hedge accounting	100,339	515,904	128,030	518,907
Fair value hedge - Fair value gains (losses) on derivatives	(19,956)	27,249	(19,956)	27,249
Fair value hedge - Fair value adjustments on hedged items	(3,507)	(68,874)	19,891	(33,136)
Cash flow hedge - Hedge ineffectiveness	(1,542)	(1,542)	(1,542)	(1,542)
Fair value losses on equity investments	28,317	(54,297)	28,317	(54,297)
Fair value gains on equity investments at fair value through PL	(47)	(4,929)	-	-
Fair value gains on debt investments at fair value through PL	891,946	710,619	-	-
Gain (Loss) on fair value adjustment from step acquisition (Note 15.2)	(155,661)	15,752	-	-
Total net gain (loss) on financial instruments	938,889	1,198,933	152,859	483,358

Net fair value gains/losses on financial assets at fair value through profit or loss included a gain on fair valuation of a preferred shares of the Group's associate, which is classified as a debt instrument. The preferred shares have option to convert to the common shares at the specific date. The Group's management has no intention to exercise this option. According to the requirement of TFRS, this financial asset does not meet the criteria for solely payments of principal and interest (SPPI), therefore the Group requires to recognise a gain on fair valuation in the statement of income.



Thai Union Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2020

46 Promotional privileges

The Company received promotional privileges from the Office of the Board of Investment ("BOI") for the production of processed and semi-processed food in seal containers, ready-to-eat frozen meals, frozen aquatic animals and pet food in seal containers. Under these privileges, the Company has received exemption from certain taxes and duties as detailed in the certificate including exemption from corporate income tax for a period of 8 years from the date of commencing promotional privileges revenue. As a privileged industry, the Company is required to comply with the terms and conditions as specified in the promotional certificates.

The Company's revenue classified by BOI and Non-BOI promoted activities (revenue from Non-BOI business included non-exemption from the promotional privileges on corporate income tax and revenue after the exemption period) are as follows:

For the years ended 31 December	BOI promoted activities		Non-BOI promoted activities		Total	
	2020	2019	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Domestic sales	2,466,837	3,366,657	1,740,033	1,970,550	4,206,870	5,337,207
Export sales	13,688,200	12,758,333	2,208,703	9,306,230	15,896,903	22,063,563
Total revenue from sales	16,155,037	16,125,990	3,948,736	11,276,780	20,103,773	27,399,770

47 Events after the reporting period

In January 2021, the Group entered into an agreement to establish a new joint venture known as Interpharma-ZEAvia Co., Ltd. which is incorporated in Thailand. The total number of common shares is 2,000,000 shares with a par value of Baht 10 per share. The Group's shareholding is 49% and the paid-up capital is Baht 9,800,000. The primary objectives of the investment are for joint investment and collaboration in relation to product development, manufacturing and distribution of jointly developed human supplement products.

On 22 February 2021, the Board of Directors' meeting of the Company passed the resolution to propose to the Annual General Meeting of the Company that will be held in April 2021, to pay a dividend of Baht 3,352 million from its net operating profit for the year 2020. However, by the resolution of the Company's Board of Directors held on 11 August 2020, the Company paid out the interim dividend of Baht 0.32 per share from operating profit for the six-month period ended 30 June 2020, to the Company's shareholders totalling Baht 1,480 million on 8 September 2020. The remaining dividend of Baht 0.40 per share of totalling Baht 1,862 million will be paid on 21 April 2021.



Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Deres dato
18.09.2017

Vår dato
19.09.2017

Telefon
22078139

Deres referanse
Vidar Vinjevoll

Vår referanse
2012/842860

KING OSCAR AS
Postboks 400 Sentrum
5805 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for King Oscar AS, org.nr. 993 791 296

Vi viser til deres brev av 18. september 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for King Oscar AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering King Oscar AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

King Oscar AS er eiet av Thai Union Norway AS som igjen er eiet av Thai Union EU Seafood 1 SA som er lokalisert i Luxemburg. Det ultimate morselskapet er Thai Union Group Plc som er hjemmehørende i Thailand. Virksomheten til selskapet og konsernet er sjømatsektoren. Over halvparten av salget er til utenlandske kunder. Selskapet opererer i en internasjonal bransje. Styremedlemmene er utenlandske. Sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som

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tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut speulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets morselskap er et utenlandsk selskap. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. Styremedlemmene er utenlandske. Videre er det vektlagt at sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Skatteetaten

Vår dato
06.08.2020

Din/Deres dato
02.07.2020

Saksbehandler
Lars Waaltorp

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KING OSCAR AS
Nøstegaten 58
5011 BERGEN

Att. Anne Tandberg

Fritak for konsernregnskapsplikt King Oscar AS, org.nr. 993 791 296

Vi viser til deres brev innsendt 2. juli 2020 hvor dere søker om fritak fra plikten til å utarbeide konsernregnskap for King Oscar AS.

Skattekontoret finner med hjemmel i regnskapsloven § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for King Oscar AS. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

King Oscar AS er morselskap i et underkonsern, hvor Thai Union Group Public Company Limited er det ultimate morselskapet og er hjemmehørende i Thailand. Konsernregnskap utarbeides av Thai Union Group Public Company Limited på engelsk språk etter Thai Financial Reporting Standards, hvor King Oscar AS med datterselskaper er omfattet.

Skattekontorets vurdering

Det forutsettes at Thai Union Group Public Company Limited utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper. Det legges til grunn at dette konsernregnskapet er utarbeidet i samsvar med Thai Financial Reporting Standards og at kravene i regnskapsloven § 3-7 med forskrifter for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 7. september 2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten å være på norsk, kan være på svensk, dansk eller engelsk.

Skattekontoret gir etter en konkret helhetsvurdering tillatelse til at det gjøres unntak for konsernregnskapsplikten.



Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waaltorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.